

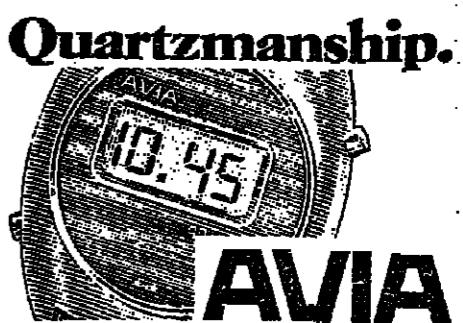


FINANCIAL TIMES

No. 27,031

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**10p



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NEWS SUMMARY

RAL BUSINESS
council Equities
ns fall 7.7;
hool gilts
ttle retreat

Conservative-controlled council, Greater Manchester, yesterday won its legal battle against the Education's directive to introduce comprehensive education. September.

imous decision by three court judges against Mr. Miller, the Secretary of State, that the council can now plans to select 240 proposed grammar schools out of 800 applications for the September

lor Donald Thorpe, of Tameside education, said last night that they now accept the education system. Mr. Jarvis, general secretary of the National Union of Teachers, said the decision did not position taken by side teachers that the intention was detrimental to the interests of n the area. Page 7

Ins 'reach' with Christians

fighting continued to various parts of Lebanon and of ceasefire which actions were reported checked over the weeks from Damascus night of a fresh record reached between Syrian delegation in capital.

to Palestinian sources a Syrian summit within the hours will arrange a It is explained, however, the accord awaits Lebanon's President

Back and Page 6

da explains why blasts

specting and unconvict of an attack on Amrits headquarters, styled Field Marshal's escape from the end of his receipt of a council demand to quit, radio yesterday urged "not to worry about the President's nest. Such noises were as resulting from by President Amrits with Soviet anti-aircraft weapons.

s, Loyalists demo

IRA Republican and Defence Association special category joined forces in Belvoir prison yesterday for protest in what was the first stage of a campaign against aims of ending category status for beds and mattresses fire and 673 lunches in away. Bar on Sinn Fein. Page 7. Feature,

tion denied

nd Soviet officials' demands that Valery the Soviet Olympic ad defected or been Page 8. Olympics,

who started their fourth Test second West Indies needed win were 146-5 at day. Trevor Bailey,

Prince Andrew and David returned to London yesterday in Boeing 707. Prince turned on a scheduled sh seamen were each at Birkenhead for the rabies law.

'RICE CHANGES YESTERDAY'

	per cent unless otherwise indicated)	
RISES	122 + 12	5
sk "A"	23 + 2	5
180 + 10	5	5
ans	53 + 4	10
rop.	145 + 11	5
ter.	164 + 4	5
fd.	140 + 17	5
363 + 13	5	5
ITD	103 + 7	5
FALLS	148 - 17	5
ope. '81	191 - 14	5
331 pc. '86	202 - 14	5
uits	175 - 5	5
VIM	200 - 5	5
Pancontinental	214 - 5	5
South African Land	205 - 5	5
Union Crpn.	240 - 5	5

Union leaders help stop Left's bid to alter social pact

BY RICHARD EVANS, LOBBY EDITOR

A Left-wing attempt to introduce substantial alterations to the next stage of the social contract was successfully beaten off yesterday by Mr. James Callaghan and Mr. Denis Healey because of solid support by union leaders.

The confrontation came at a meeting of the TUC/Labour Party liaison committee which left senior Ministers relieved at the ease with which the Left had been rebuffed and the critics demolished ahead of tomorrow's meeting of Labour's national executive committee when the Government's spending cuts will come under attack.

The social contract draft between the Government and the TUC, covering the next three years, has been approved by the TUC and the liaison committee but major alterations were demanded by the national executive committee at a depleted meeting last month when the Left was in a majority.

In two hours of sharp argument at Transport House the rebels were routed after union leaders had backed the Prime Minister and the Chancellor all along the line. All they succeeded in gaining was a minor addition to the draft which had the agreement of a magnanimous Mr. Healey.

In the original document it was argued that the return to full employment would reduce the need for borrowing by the Government but Mr. Healey had insisted on inserting the phrase "but not enough." This has been removed.

The critical motion denouncing the cuts, tabled by Mr. Eric Hoffer for tomorrow's meeting, All the major amendments demanded, involving more claims that they can "only

bring about a major increase in unemployment, jeopardise the social contract and alienate Labour support in the country."

Mr. Mikardo, MP for Bethnal Green and Bow, came under particularly heavy fire yesterday from Lord Aler who claimed there was a determination "on the part of some only to disagree."

Mr. Mikardo retorted that it

It could still be a troublesome week for the Prime Minister, who will be present at the executive committee's meeting tomorrow, but Mr. Callaghan left yesterday's meeting visibly pleased at the progress made.

"A good morning's work" was how he described the discussion.

But Mr. Jack Jones, general secretary of the Transport and General Workers' Union and Mr. Bennett, general secretary of the General and Municipal Workers' Union, argued forcefully that it was essential for the social contract to be accepted by the whole Labour movement.

A meeting of the TUC finance and general purposes committee, after hearing a report from the liaison committee session, agreed that the proposed new minor amendments should prove acceptable to both the Labour Party national executive committee and its own policy to its annual congress.

Mr. Mikardo retorted that it

It would not be a tragedy if the social contract were torn up instead the Labour Party can go forward to the party conference with its own policy documents.

Mr. Mikardo said that the

French franc continued to fall yesterday despite the 0.5 per cent rise in the Bank of France discount rate last week.

Dealers said there was fairly heavy selling in the morning with no indication of any significant intervention from the Bank of France. The franc closed at FRA.94920 to the dollar, slightly better than its worst. It closed at FRA.92920 on Friday.

The trade-weighted depreciation has widened 1.35 points to 112 per cent in the last week after a movement of 0.28 points yesterday. The franc has fallen 5 per cent in the last three

New analysis of local overspending expected

BY COLIN JONES

YET ANOTHER analysis of the reasons for the projected overspending by local councils this year is likely to be agreed today by Mr. Peter Shore, Environment Secretary, when he meets local authority leaders at the Consultative Council on Local Government Finance.

Returns sent in by local councils show that they have failed to cut their budgets by anything like enough to keep within the "standstill" agreed with Ministers last November.

But the local authority associations are claiming that part of the projected overspending reflects Government policy on matters such as police recruitment, education, concessionary fares and council house rents.

Projections

Mr. Shore is willing to reflect on these arguments before announcing the measures the Government proposes to take.

But there is no question of Ministers being willing to overspend when they are exceeding the agreed guidelines.

The latest projections show that local spending on goods and services this year is likely to overshoot by about £200m. to £250m. at November 1975 prices, or by about 2.3 per cent. This compares with an earlier forecast of an overrun of about £250m. to £450m.

BRITISH MIDLAND and British Airways, which run the Birmingham-London commuter air service, will increase the number of flights to meet growing demand. Page 8.

GUINNESS may be the first foreign beer brewed in Japan if demand continues to grow. Page 6.

COMPANIES

UK OPTICAL plans to increase its dividend to 8p (4.2p). The chairman reaffirmed the Board's rejection of the takeover bid from Pilkington. Page 18.

AAH made higher pre-tax profit of £4.75m. (£4.15m.) in the year to March 31. Page 17.

LESLIE AND GODWIN is holding talks with Wigham Poland with a view to merger of the two insurance broking groups. Page 18 and Lex.

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For, in order to attain local government's share of these targets, local spending next year will have to be cut by slightly more than the extent of this year's overspending.

Under existing arrangements, Ministers have only two ways of bringing pressure upon local authorities to adhere to the targets for public expenditure. One is to seek their voluntary compliance; the other is to use the influence of the rate support grant.

Mr. Shore has already warned council leaders that next year's grant will be decided in the light of their performance this year and at to-day's meeting he is likely to outline the options open to him.

One option would be to dock from next year's grant the income local authorities raised this year to finance their overspending. Another would be to reduce next year's grant even further, so as to mop up local councils' cash balances.

However, this prospect, and the opposition of the public sector unions like NALGO, NUPE, and the National Union of Teachers, will still have to be faced if the Government's public expenditure targets for 1977-78 and subsequent years are to be met.

Editorial Comment, Page 14

One of the reasons why local authorities have failed to live within the "standstill" agreement for 1976-77 is a general refusal to countenance redundancies among local authority staffs.

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LOMBARD

How to control our Governments

BY SAMUEL BRITTON

THERE WAS a time when I trended. Unless the underlying world have been demonstrated in the streets against the Dutch proposal now being discussed by the EEC Ministers for closer co-operation of policies to limit exchange movements. The thought that expansionist demand policies should be held back to defend a pattern of parities would have seemed outré. And the wish to be taken in this direction by the British Government's own business.

But things have changed in the last ten years. The first is that independent national demand management has lost its attractions. Ambitious objectives here tend to bring inflation without growth rather than the other way round. Although it would be difficult to prove in what Mr. Harold Lever would call a "seminar" that inflation brings only inflation, the practical reactions of Government and business to high, variable and unpredictable rates of inflation do tend in that direction.

Exchange rates

Supposing concerted pressure had been applied in 1967 to discourage the U.K. from devaluing and to pursue monetary policies consistent with the \$2.8 exchange rate, would the British economy have been in a better or worse state? It is extraordinarily difficult to say. We would have been worse off without devaluation than with a combination of devaluation and sensible internal policies, which were forced on Britain by a combination of the IMF and the president-elect of the EEC Commission, Mr. Roy Jenkins, if they had been continued. On the other hand, continuation of the \$2.8 rate would have made the Heath boom and the subsequent inflationary slump less likely. What is almost certain is that if the exchange rate had been really rigid, say in 1960, Governments had known that devaluation was not an option we would have had much less "stop."

The actual Netherlands proposal falls into two sections: a limitation by non-european countries of the margin of the exchange rate fluctuations, and overall medium term budget and monetary targets which member Governments should aim to observe. The trouble with the first suggestion is that it misconceives the nature of the problems of the weaker currencies. The latter have suffered not from excess fluctuations but from an underlying downward

Group of Ten

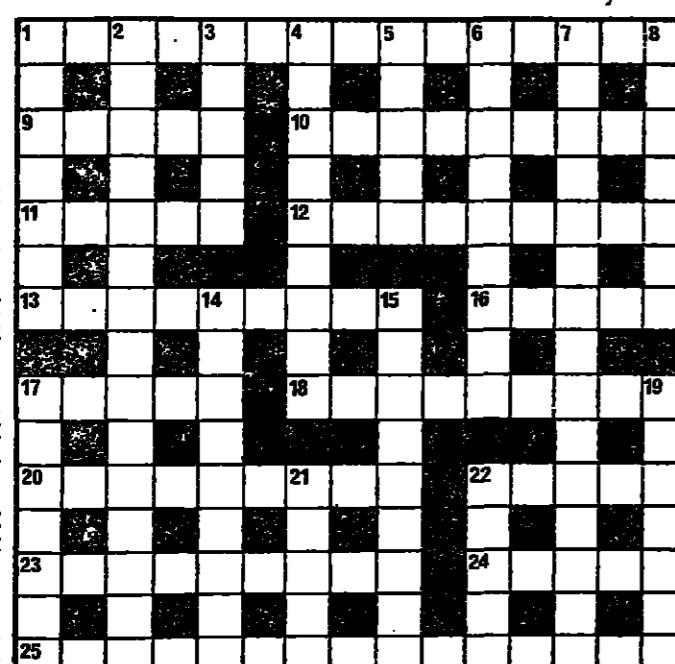
Is it debatable whether the EEC is the best form for this kind of mutual surveillance. Major credit operations for large EEC members in distress are usually launched on a wider Group of Ten basis. It is a little artificial in the present instance to suppose that it is more important for the British Government to satisfy Belgium, the Netherlands and Denmark, than it is to satisfy the U.S. But this is not all. Group of Ten meetings are mainly concerned with the stability of the world economy and the preservation of a market system in the West. The EEC has a slightly different objective, and while 90 per cent of the time they may overlap, 10 per cent of the time they will differ.

On balance, however, anything which limits the autonomy of British Governments is to be welcomed, and if the EEC goes ahead with the co-ordination of major objectives, it will be difficult for the British Government to stand aside.

TV Radio

* Indicates programme in black and white.
BBC 1
 9.40 a.m. The Adventures of Tin Tin. 9.45 Jackanory. 11.00 Belle and Sebastian 10.25 Roobarb. 10.30 Vision On. 10.55 Grandstand with the latest action and news from the Olympics, and Cricket: Fourth Test, England v. West Indies. 1.30 p.m. Andy Pandy. 1.45 News. 2.00 Grandstand: Late Night News Headlines. 2.15 Olympic Grandstand. 2.20 News. 2.45 Olympic Grandstand including 11.15 Late Night News Headlines. All Regions as BBC 1 except at the following times:
 Wales - 5.15-5.45 p.m. Heddwyn. 6.00-6.15 Wales To-day. 11.15 Late Night News Headlines. Scotland - 5.15-5.45 p.m. Report Scotland. 11.15 Late Night Magic. 5.15 Lippy Lion. 5.40 Barbarella. 5.45 News. 6.00 Nationwide.

F.T. CROSSWORD PUZZLE No. 3,141



ACROSS

- Reprove and quote one or more articles (4, 1, 5, 2, 3)
- Destroy dates going to the Orient (5)
- Waste created by engineers taking mortar right inside (8)
- Fish within current route (5)
- Depict us in a stroke? No, vice-versa! (5)
- Garment to be seen in red-hot India (5)
- Fine lemur creating exciting memories (9)
- It gives a fare indication of a journey (9)
- Chemically it could be there in the upper air (5)
- Start quickly—in the morning? (9)
- Give reason to believe that the fit's about right (5)
- Harbour suspicions or amuse with scepticisms (9, 6)
- DOWN**
- The scene of drama or of 6 (7)
- Promise to give hope and seem likely (4, 3, 2, 6)
- Spy has time with book (5)
- One who gathers unusual graves going to East Riding (5)

SOLUTION TO PUZZLE No. 3,140



RACING

BY DOMINIC WIGAN

IF IMPORT can reproduce the reason, who probably ran the best race of his career on this course a year ago when taking sprints in the July Cup at Newmarket three weeks ago, appears to have made a nonsense of today's handicap for the Spillers Stewards' Cup on the opening day of "Glorious Goodwood."

Bill Wrightman's remarkable sprinter who, at best, had been improving no more than fractionally with each of his races before Newmarket, ran at least 12 lbs above his previous handicap mark in the July Cup.

Always in the front rank in that tremendously competitive event, which attracted some of the best sprinters from England, Bill Wrightman gave the case for co-ordinated budgetary and monetary targets of a rather different kind. Once exchange rates do vary, it is not an important for countries to have exactly the same inflation rate as some European enthusiasts suppose.

Exchange rate variation can cope with very considerable differences in inflation rates. A narrowing of discrepancies between currencies which are still distinctly different, and not entirely interchangeable, will not be a short cut to a finer flow of goods, labour or capital within the EEC. There is a flavour of harmonisation for its own sake about the proposal.

The hard-headed reason in its favour is that if a country wishes to borrow from its EEC partners, these partners are reasonably entitled to a say in its policies. In the case of the U.K. such international supervision is positively desirable.

The only constraints which in practice limit the British Government are fear of union leaders on the one hand and of the opinion of overseas creditors on the other.

The EEC is the best form for this kind of mutual surveillance, Major credit operations for large EEC members in distress are usually launched on a wider Group of Ten basis. It is a little artificial in the present instance to suppose that it is more important for the British Government to satisfy Belgium, the Netherlands and Denmark, than it is to satisfy the U.S. But this is not all.

Group of Ten meetings are mainly concerned with the stability of the world economy and the preservation of a market system in the West. The EEC has a slightly different objective, and while 90 per cent of the time they may overlap, 10 per cent of the time they will differ.

On balance, however, anything which limits the autonomy of British Governments is to be welcomed, and if the EEC goes ahead with the co-ordination of major objectives, it will be difficult for the British Government to stand aside.

The Engineering, formerly the Old Goldstone Pumping Station, has been acquired by Jonathan Minns, Christie's consultant on models, who had the first auction held there.

It attracted an international audience: 80 per cent of whom were private collectors, and the sale totalled \$33,084, with virtually every lot selling, some for a good price.

The highest was the \$8,500, over double the forecast, paid by Fox, from Houston, Texas for a late 18th-century model of a 44-gun frigate.

A working model of a Merryweather steam fire engine, built by Tyree of Hastings, went for £3,200, rather below forecast, and a working model of the Showman's road locomotive, by Appleby of Westcliff-on-Sea, was also under target at £2,600.

Nine original pencil drawings about the developing jet engine, signed and dated by Sir Frank Whittle in 1938, unfortunately left the country, selling to the Deutsches Museum in Munich for £2,600.

Phillips sold the collection of Back in London Christie's

had auctions of Studio Pottery colours formed in the late 19th century by the London industrialist Walter Crook. This was which made \$52,904. In both sales all the important lots sold.

Best price among the ceramics was the £2,800 from the London dealer Linham for a pair of Sevres pattern ornolu mounted two-handled vases and covers

for £2,500 to Marshall, while a view of Liverpool at night by Atkinson Grimshaw made £2,500 (Rayner).

The sale totalled \$33,360.

An Archibald Thorburn painting of pheasants in a wood sold for £2,500 to Marshall, while a view of Liverpool at night by Atkinson Grimshaw made £2,500 (Rayner).

The same price was paid by a German dealer, Surmann, for a Meissen dinner service, while a wall panel of 64 tiles by

William de Morgan, made for the Czar of Russia, but never delivered, was sold by P.E.N. for £1,000.

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EUROPEAN NEWS

WESTERN NEWSPAPERS IN EAST EUROPE

Not many slip through

BY DAVID LASCELLES

ONE YEAR after the Helsinki bought by travelling western Declaration, which was supposed to open up broader contacts between East and West Europe, there has been little change in the Soviet bloc's attitude towards imports of the western Press. So far as can be judged from the circulation returns of major western newspapers (which tend to come out late and to be expressed as hazy averages) East Europe's imports remain minimal, while on-the-spot reports suggest that the availability has not improved for the man in the street.

On the other hand, there has been equally little change in western imports of East European newspapers, and western Governments have done nothing to promote interest in them.

A survey carried out last week by the Financial Times showed that of five West European news-

papers available in Moscow, though in terms of newspapers bought relative to population, Czechoslovakia second. The lowest per capita imports are by the Soviet Union where only one person in over 100,000 is likely to receive one of the papers surveyed.

Mezdunarodnaya Kniga (International Book), the Soviet newspaper exporting organisation, refused to give this information when contacted in Moscow. The Soviet Embassy in London said it did not have it, but commented that most of the Soviet newspapers brought into Britain probably went straight to the Embassy itself.

Some approximate figures

in 24 hours of publication. Western newspapers in Moscow are usually 48 hours old, and their appearance cannot be guaranteed.

Although sales figures for other Soviet bloc newspapers are not available, they are negligible. The biggest selling, the Polish, have been unofficially estimated at a few dozen. The East Europeans have complained about this, answering the argument that few Britons speak Hungarian or Romanian with the claim that under the "spirit of Helsinki," western governments should encourage the study of these languages.

The reasons for the East Europeans' continuing refusal to take in more western newspapers are still clearly political. The ideological war is more strongly stressed than ever in official statements. But the East

Bulgaria:

Czechoslovakia:

East Germany:

Hungary:

Poland:

Romania:

Soviet Union:

Total subs:

Subs:

Other:

Subs:

Subs:

Other:

Subs:

AMERICAN NEWS

**.S. banks to police
240m. loan to Peru**

AY PALMER

NEW YORK, July 26.

SORTIMENT of large U.S. has already sent a com- letter and will shortly munity announcing a loan \$240m. to the financially Peruvian Government. Continued payment of the which will be spread out over years, will be condi- on Peru adopting and out a drastic economic plan.

National City Bank of New York and Morgan Guaranty of the five or six U.S. in the talks, confirmed a loan agreement calls creditors to monitor Peru's economic This is believed to be the occasion that private alone will police a public's monetary and fiscal

ional, this kind of close- ness has been carried out international Monetary when countries receive edits. However, it is not that the Peruvian es, who originallyed the IMF rather than lenders, balked at that required financial

from Citibank and Guaranty. The U.S. banks in the consortium are od the Manufacturers' Hanover, Wells

the Manhattan and Wells although none of them could confirm it, it is that several large banks in Europe, Canada and will make a parallel han on the same condensing the total Peruvian \$550m. Peruvian Government, currently has about of foreign debt costing 6m. a year in interest, in financial difficulty time. This year, he noted, the country's balance of payments at least \$1.3bn. after fall of \$1.6bn. in 1975.

**S. productivity rise
ws in second quarter**

WASHINGTON, July 26.

BOLR Department said in the private sector price index rose 2.5 per cent in the second quarter.

Meanwhile, U.S. machine tool orders rose to \$17.7m. in June from \$16.3m. in May, the National Machine Tool Builders Association said.

Foreign orders fell to \$14.3m.

from \$16.1m., but domestic orders jumped to \$15.73m. from \$13.1m. Shipments of machine tools rose to \$17.8m. from \$16.2m. in May.

The association said first half

quarter new orders rose 67 per cent to \$803.8m. over the same period. Domestic orders increased 84 per cent to \$801.4m.

but foreign orders slipped 3 per cent to \$102.1m. At the end of June, the industry backlog was \$1,139.4m.

changes in the con- Agencies

**rd signs coastal oil
elopment legislation**

WASHINGTON, July 26.

NT Ford signed legislation \$1.5bn. to be over the next 10 years, coastal areas deal with of a accelerated on- development. The Coastal Zone Act amendments of Ford said the legisla- d all a critical need in opment of our domestic Reuter

rzov 'defection' denied

MONTREAL, July 26.

IAN and Soviet re- day divergent re- Soviet sprinter Borzov had defected to Olympic Games or kidnapped. Specula- after he failed to for a heat of the 200 sprint yesterday—the which he won in Munich's 100m.

man for the Canadian ation department said no reports of any for political asylum by competing at the Games. Mikhail Efimov, Pres to the Soviet team said if Borzov had not d on Sunday at the because he had aggravated injury in the 100 final Saturday when he third.

him said "he is sitting home watching television. Everything is O.K." Mr. Borzov would part in a relay event ay. Mr. Efimov added: "A Montreal policeman had given an in- twist to the speculation saying that Mr. Borzov is in good hands but that the source of his information refused to say

detained in Jamaica

ANUITE JAMES

KINGSTON, July 26.

of 103 persons has on detained under the of the state of public er, which was imposed government here five 20. All the detainees are being held at army headquarters in Kingston where they are being number of detainees interrogated by the security forces. Thirteen Molotov cocktails were found in King- forces took into custody

**Shooting at
White
House probe**

By Our Washington Staff

WASHINGTON, July 6. PRESIDENTIAL security is once again the focus of investigation following the shooting of a Washington man who trespassed on White House grounds on Sunday night. It was the first fatal shooting in the vicinity of the White House since 1950 when Puerto Rican nationalists attacked Blair House during the Truman administration.

A grand jury is meeting today to investigate the circumstances surrounding the death of Chester Plummer, aged 30, a self-employed taxi driver and much decorated Vietnam war veteran. Mr. Plummer, carrying a steel pipe, scaled the wrought-iron fence around the White House and ignored repeated orders to halt. Witnesses say he had advanced almost half way across the grounds towards the President's residence, with the pipe over his head, when he was shot once in the chest by a security guard.

No motive was apparent for Mr. Plummer's actions. He is described by his family as a "loner" estranged from his wife and also a vocal supporter of President Ford's policies. President and Mrs. Ford were in the family quarters of the White House at the time of the shooting and were informed of the incident shortly after it occurred.

ECUADOR'S income per head has doubled to over \$1550, after four years as an oil exporting country, and the economy is now substantially dependent on oil income for continued growth. Any significant reduction of oil exports, such as occurred last year when the trans-Andean pipeline was out of action, is immediately reflected in falling international reserves, budget cuts and the postponement of long term development projects.

Not unexpectedly, Ecuador's dependence on oil, which accounts for nearly 60 per cent of exports, is a major issue in the current debate on nationalisation. Many argue that a resource so crucial to the economy should not be controlled by foreign companies, while others

ECUADOR'S OIL**Political resources**

BY SARITA KENDALL, BOGOTA CORRESPONDENT

Though Texaco and Gulf have consistently denied that they would like to get out of Ecuador, it is an open secret that they have been negotiating nationalisation terms with the military junta. The Oil Minister, Colonel René Vargas Pazzos, presented a confidential study to the junta four months ago, rejecting as

though internal divergences was similar to that of Admiral Gustavo Jarrín Ampudia, exiled

items which affect them are being brought out into the open."

The National Oil Convention played an important part in extending the nationalisation debate, and apart from dealing with the technical and political aspects of a State take-over, it gave both Government representatives and trades' unions the opportunity to analyse the economic impact of oil earnings. Thus, while public spending, company profits, manufacturing industry and foreign trade have all grown enormously in the last four years, the real minimum wage has fallen, agricultural production has failed to keep pace with population growth, stimulating inflation, and socio-economic structures have remained virtually unchanged.

Colonels Vargas and Piñeros attended the opening meeting and addressed the Convention in a surprising—for Latin America—juxtaposition with bearded students and labour leaders in denim jackets who launched virulent attacks against the foreign companies. At the last moment Admiral Jarrín, a former Minister of National Resources, was banned by the junta from speaking at the closing session but extract read from his report reviewing Ecuadorian oil policy were resoundingly applauded by a large and attentive audience.

The report was partly a defence of his tactics when Minister of Natural Resources, and rebutted the anti-nationalist campaign which, most recently, gathered its forces to scuttle the formation of a joint Ecuadorian-Russian company for exploration and exploitation. Attempts to discredit Admiral Jarrín himself have had little success. Rather are his oil theses providing a rallying point for both civilian and military factions.

Popular awareness of politics and national issues has reached an unprecedented level... partly because of the publicity being given to oil, especially the nationalisation controversy.

absurd the oil companies' conditions for continuing their Ecuadorean operations—a \$1.05 per barrel cut in the state take-out that such a step seems almost inevitable. In particular, the growing progressive army colonels is making its influence felt in the political arena. Even

the junta would like to remove Colonel Vargas and the head of Cepe, Colonel Luis Piñeros, for their radical attitudes. The repercussions might cause its own demise. This risk was behind the removal in June of the Interior Minister, Colonel Richellein Levoyer, to the post of military attaché in Washington.

Colonel Levoyer's dismissal, only hours after his public clarifications, has been widely accepted as a result of the publicity being given to oil, especially the case of Señor Julio César Trujillo, leader of the progressive half of the Conservative Party, commented: "Ecuadorian politicians have never discussed real problems such as oil in the past. They have always concentrated on extreme personal attacks against each other. Now the popular sectors are interested in what's happening, because prob-

AN EXPORT' REVOLUTION.

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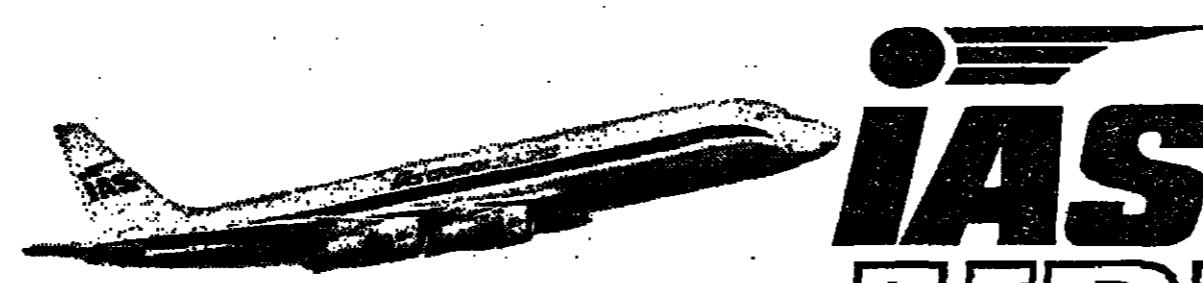
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OVERSEAS NEWS

Arab troops fight to establish Beirut disengagement line

HEAVY fighting continued in Beirut to-day but the head of the Arab League peacekeeping force has repeated its determination to set up a disengagement line despite the new violence and an attack on his troops on Sunday.

In an interview, Dr. El Kholy, the Arab League representative, said last night that he would have to undertake political negotiations for enforcing the ceasefire. He said he planned to meet right-wing

leaders under President Suleiman Franjeh at Kfour near the Port of Jounieh.

He said that a new attempt to station Arab forces in positions specified under the ceasefire agreement will not be made until certain matters have been cleared.

The Arab League envoy said that the Sudanese forces which tried to expand the neutral zone were fired on from "all sides," but that most of the casualties were suffered on the

Christian eastern side. He said seven Sudanese soldiers were wounded and some of their military vehicles put out of action. He did not say how many.

Dr. Ed Kholy displayed shrapnel from mortar shells which he said were fired against his troops. He said that it was difficult to know how many were there. He said some had died of asphyxiation and others for lack of first aid help.

Reuter adds: Right-wing gunmen have been "forced to repulse" Arab League peacekeeping troops in Beirut, according to a right-wing Lebanese radio.

Two members of the combined Arab League force were reported to have been killed yesterday. Some reports from the spot said they were Sudanese.

Amshat radio, which supports right-wing President Suleiman Franjeh, quoted



Suleiman Franjeh... new confidence.

Another Ethiopia coup bid thwarted

ADDIS ABABA, July 26. LOYALIST troops executed their commander and a junior officer caught trying to hatch an anti-government plot. Ethiopia's ruling Military Council has announced. It was the second conspiracy disclosed by the government in as many weeks.

The Military Council, which has been taking an increasingly tough line against those it considers counter-revolutionary, identified the two men as Lt-Col. Berpanu Tasse, commander of the 26th Battalion of the First Army Division, and Lt Hailie Mariam Hassan.

It said they were involved in the same anti-government plot conceived by Brig-Gen Getachew Nadew, the martial law administrator of Eritrea who was shot two weeks ago while resisting arrest.

It was not immediately clear where the executions took place—the two officers were shot early yesterday—but the First Division is stationed mostly in Asmara, capital of Eritrea.

The Council said Col. Berhanu had a reactionary background, sought a position of power for himself and waited for a suitable moment to betray the revolution. The statement also said enemies of the revolution which overthrew Emperor Haile Selassie in September, 1974, still existed.

The latest executions come amid reports of dissatisfaction within some sections of the Armed Forces with the leadership of the revolution which brought the military to power two years ago.

Informants said much of the discontent centred on the air force and airborne units, both of whom play a major role in the war against Eritrean secessionists.

Reuter

Photo: AP

HIGH in the mountains above Jounieh, the port which is Christian Lebanon's lifeline with the outside world, in the tiny stone-built village of Kfour the man who still claims to be President of this war-torn country stays in the house of his confidant Mr. Lucien Dahdah. Conversation around Mr. Suleiman Franjeh no longer revolves round the creation of a separate Christian state but the wresting the whole of Lebanon from the Muslims and Palestinians in the name of legitimate rule.

Two months ago Mr. Franjeh's mountain eyrie smelt of siege, a desperate isolation from the troubles below where Christians faced fuel shortages and soaring food prices. He was also isolated politically from the body of Christian right-wingers, many of whom wanted his resignation.

Following the June intervention of Syria in the Lebanese war, the "Kfour front" as it was then known was renamed "the front from Christian Lebanon". In April demands for the President's

resignation were ignored. Now in Kfour there is no question of Mr. Franjeh stepping down before his term expires on September 23.

Gone is the feeling in the Christian heartland of "breaking out of the siege." The Christian right wing is gearing up for what it sees as inevitable military victory. They believe Syria which is giving them vital military and political support will permit this.

There have been two wars in Lebanon since the Syrian intervention. One is between Syria and the Palestinian Muslim alliance, the other is between Lebanese right wing Christians and the alliance of the Left.

Mr. Camille Chamoun, a former president and head of the Right-wing National Liberal Party (PNL) like other leaders says the war is against the Palestinians. He maintains that negotiations can begin when the Palestinians have been "swept from the Christian Lebanon."

Mr. Kemal Jumblatt, head of the Left-wing Lebanese Progressives

Ally, Chamoun was adamant. "I am at war with the Palestinians not the followers of Kemal Jumblatt."

Lucien Dahdah has another slant, arguing: "we have fought the Palestinians but never their cause." His cornerstone is that the Palestinians have become a political party in Lebanon which "will not help them to get back Palestine."

Christian leaders seem to be preparing for a long war ahead. Confidence has renewed their resolution. Notions of partition have been bypassed by the goal of restoring national unity. The siege has been reversed.

Nonetheless the administration in the Christian heartland is based on long-standing de facto partition contingencies. On the wall in the new information centre of the predominantly Christian phalangist party in East Beirut, Tripoli, Sidon, Tyre and the south will be left in the hope that splits will develop in the Muslim Palestinian coalition.

Many Christian leaders do not accept that Lebanon's a civil

war. Chamoun was adamant. "I am at war with the Palestinians not the followers of Kemal Jumblatt."

Mr. Chamoun underlined his point from his top-floor flat in the suburb of Ashrafia in East Beirut where he gives visitors binoculars and explains latest details of the bitter month-long battle for Tel el Zatar Palestinian camp far below.

Syrian withdrawal is unthinkable for the Christian Right.

Lucien Dahdah believes the Syrians will have to stay at least three years in Lebanon to restore security before the related problems of restoring economic confidence and finding a permanent political solution can be tackled.

The Christian plan is now to persuade Syria that 80 per cent of Lebanese territory must be "pacified and reunified" in the name of sovereignty.

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Many Christian leaders do not accept that Lebanon's a civil

Rhodesian citrus fruit 'to be buried'

BY TONY HAWKINS

SALISBURY, July 26

ONE OF Rhodesia's largest companies—the Anglo-American controlled sugar and citrus producer Hippo Valley Estates—is to dump 16,000 tonnes of citrus fruit "in big hole in the ground" because there is no rail transport to export the crop.

This was announced by the Hippo Valley chairman, Sir Ray Stockil, who says that there is no practical alternative to this drastic measure. He says that requests from charitable and welfare organisations that the citrus fruit be given away cannot be supplied either from charge or reduced prices as impracticable as this would put many smaller producers out of business and harm Hippo's own internal market.

It was not immediately clear where the executions took place—the two officers were shot early yesterday—but the First Division is stationed mostly in Asmara, capital of Eritrea.

The Council said Col. Berhanu had a reactionary background, sought a position of power for himself and waited for a suitable moment to betray the revolution. The statement also said enemies of the revolution which overthrew Emperor Haile Selassie in September, 1974, still existed.

The latest executions come amid reports of dissatisfaction within some sections of the Armed Forces with the leadership of the revolution which brought the military to power two years ago.

Informants said much of the discontent centred on the air force and airborne units, both of whom play a major role in the war against Eritrean secessionists.

Reuter

African 20 per cent import deposit scheme as a matter of "utmost priority." South Africa is Rhodesia's prime export market for manufactured goods—especially furniture, radios, clothing, footwear and textiles. A Rhodesian Government spokesman conceded that some Rhodesian exporters would face difficulties as a result of this move, but the Government was giving the matter urgent consideration.

Dr. Joshua Nkomo, leader of Zimbabwe African National Congress, left London on Sunday after a week-long visit, announcing that the ANC is to open a Luanda political office shortly.

The last OPEC oil ministers' session on Bali, Indonesia, failed to agree on any price boosts.

Hijack warning

Shippers in the Gulf have been warned by the U.S. against the possible hijacking of an oil tanker in the region, diplomatic and oil shipping sources said yesterday, reports Reuter from Bahrain.

The warning was received from the U.S. Department of Energy on Thursday, and major oil shippers have taken it seriously because it was more detailed than alerts received in the past, the sources added.

Iran oil goal

Iran is still setting a high target for its direct sales of crude oil to third-party buyers outside the international consortium channels, the petroleum intelligence weekly (PIW) newsletter reports, says AP-DJ from New York. The National Iranian Oil Company has set a third-quarter goal of \$20,000 barrels daily.

Besides reaching a 1m-barrels daily sales level in June, National Iranian also for the first time increased the proportion of heavy crude to more than half its total sales volume, PIW added.

Abu Dhabi budget

ABU DHABI, July 26

THE OIL-RICH Gulf Emirate of Abu Dhabi announced to-day a Dinar 18.4bn (\$4.8bn) budget for the fiscal year 1976-77. The budget, the biggest ever in the Emirate's recorded history, is 35 per cent bigger than last year's budget.

It was approved by the ruler, Sheikh Zayed bin Sultan, who also is President of the federation that groups seven Emirates under the United Arab Emirates.

In announcing the new budget figure, Sheikh Zayed did not disclose details of expenditures or investments. The announcement merely referred to \$1.2m allocated for a foreign aid programme.

Abu Dhabi, the largest and

richest of the seven member Emirates in the union, also contributed Dirhams 4bn to the federal budget, to help out the poorer Emirates in the union.

Abu Dhabi's contribution amounted to 30 per cent of the federal budget. The rich Emirate has for years been instituting a dual budget system—one national and one federal—in order to avoid dissipating its own vast revenues from oil sales.

Abu Dhabi production of crude oil runs at a daily rate of 1.5m barrels, accruing an estimated \$4.8bn annually for a population of 350,000, according to official statistics issued in 1975.

AP-DJ

The Oil Minister of Iraq, Tayeb Abdul Karim, said in Vienna yesterday that his country favoured higher oil prices because of the exorbitant price boosts for Western industrial products, reports AP-DJ. He came to Vienna for talks on the Iraq-Austrian Trade Commission.

Iraq ranks sixth among the producers in the 13-member Organisation of Petroleum Exporting Countries (OPEC). It was expected that Iraq would voice the demand for higher oil prices when OPEC meets next in Qatar in December.

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AP-DJ

Sudan trial of 'mercenary invaders'

BY ALAN DARBY, OUR KHARTOUM CORRESPONDENT

JULY 2. But the President's air force arrived at Khartoum just a few minutes before the plotters. Despite his escape the insurgents pressed on with their attack, attacking barracks and other key installations in the capital. The failure to seize the airport and the damage they caused to Radio Omdurman prevented them from consolidating their position and the coup finally petered out two days later after very fierce fighting, in which hundreds of people were killed and \$300m worth of damage was caused.

Egypt pledged its support to President Nimirai during the coup and airlifted 1,500 Sudanese troops, deployed in Egypt, back to Sudan in 28 flights while the coup was going on. Now President Nimirai has further strengthened his ties with Egypt. The joint defence agreement gives both countries the right to intervene with force in the event of an attack on the other.

The agreement implies but does not specify that aggression must be external; it does not state that the other member must be invited before intervening. Thus both Sudan and Egypt get the right to postulate that the other is under attack. This is expected to mean that President Nimirai will in future be able to count on the Egyptian armed forces coming to his aid to defeat coup.

The first aim of the plotters was to assassinate President Nimirai on his return from a trip to the U.S. and France on

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WORLD TRADE NEWS

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HOME NEWS

Maritime Fruit rescue plan may come to-morrow

ARTHUR SMITH, INDUSTRIAL STAFF

MEN could be reached w for a rescue scheme in the financially troubled Maritime Carriers. Sea Containers indicated last night.

A container and ship company said that negotiations were going smoothly with the former Bermuda-based company's director on a 10-year schedule.

The new company is

likely to go it alone.

Mr. Sherwood suggested originally that his company's maximum exposure in the venture would be \$5m. Whether or not this commitment has been increased was not clear last night. Sea Containers maintained that it would be impossible to give full details on the proposed rescue scheme until tomorrow morning at the earliest.

Lawyers are working out agreements. On an issue as complex as Maritime Fruit any statement will have to await the outcome of these negotiations.

Sea Containers' co-founders, Miss Broner and Mr. Meridor, in Sea Containers maintain that the new company will be adequately capitalised and that agreement has been reached in principle to charter out vessels.

Provided creditors agree to restructure Maritime Fruit's debts over ten years, Sea Containers insists the Bermudan approach. Mr. James' company can operate on a profit,

president said that a positive cash flow major shipping com-

footing.

K. bans O'Brady

JR BELFAST CORRESPONDENT

DAN Sinn Féin leader signed the order under a section of the Act which enables him to exclude any person who is concerned, within the U.K. or elsewhere, in the commission, preparation of instigation of acts of terrorism.

O'Brady, who was arrested last Friday, was still in Royal Ulster Constabulary custody in Belfast when the order was signed. He is to be held until he either wishes to do so.

Ulster Secretary, Anglo-Irish relations, Page 14

5. oil men in North Sea participation talks

Y DAFTER, ENERGY CORRESPONDENT

U.S. oil companies Claymore fields, are among those that have met Government officials.

It is believed to be in the early stage, but they can't in view of the nature of the participation arrangements. For

Exxon—a company expressed deep reservations about the arrangements involved—but it has started discussions with the Government. Energy will announce, a few days, that it has similar stage with S. group.

British Petroleum, Gulf, Continental Oil and Tricentrol, have already agreed participation terms.

al Opera prices rise

ICES at the Royal Opera House will reach a new record when Covent Garden's new production of Wagner's *Götterdämmerung* will cost £15, with last year's top price £60 for the best tickets for each of the two complete Ring cycles.

ORS' STATEMENT

fatal issues 'need be resolved'

DAILY TIMES REPORTER

leaders met the Prime Minister yesterday at their own meeting. It was arranged that the British Association on July 16, 1976, endorsed the following and the action programme.

Annual representative of the BMA had made the efforts of sufficient time had been building between the medical and the Government to a breaking point.

Recovery of losses of vital services to the profession to be resolved if the Health Services is to what is required is.

Health Services in Hospital

Further application of policy as to avoid financial loss of a compensation for younger patients.

Loss of distinction senior consultants; further postgraduate contractual improvements to Government April 1976, for all to be agreed by the Health

to negotiate compensation for financial compensation for these consultants who remain by the imposed terms of their Service, and the medical profession which makes it possible.

Tameside wins appeal against order to go comprehensive

BY A. H. HERMANN

THE ATTEMPT by the Secretary of State for Education and Science to make the Metropolitan Borough of Tameside go comprehensive against the will of its present Conservative council suffered a defeat in the Court of Appeal yesterday.

The three appeal judges were unanimous in allowing an appeal against the Mandamus Order of the Divisional Court ordering the council to comply with the council's direction of June 11 to replace grammar schools with comprehensives.

The judges agreed that the Council could not be satisfied that the decision of the present Council was unreasonable.

There was time even now to complete the selection for the grammar schools before September 1.

Leave to appeal to the Lords was refused. The Education Secretary is expected to apply to the Lords for leave to appeal.

New facts

Mr. Thomas Birmingham, QC, who appeared for the Education Secretary, said when asking leave to appeal to the House of Lords that the case could be heard by the Lords in August. He argued that the case raised a grave constitutional issue.

Mr. Lloyd, QC, for the Tameside Borough Council, opposed this application, arguing that the appeal was allowed not because of different legal views but on the basis of new facts. He referred to an affidavit confirming that the new council had a select-

tion Board of 30 people in readiness and that the selection of pupils and reallocation of staff could be completed in a week.

The Lord Chief Justice and the other judges sitting in the Divisional Court when this case was heard would have reached the same conclusion as the Court of Appeal, if they knew about the possibility of concluding the selection of pupils in time.

Under Section 58 of the Education

Lord Denning, the Master of the Rolls, said the Court was of the local authority to order the local authority to replace the change its intended course of action if he was satisfied that it was unreasonable. It was not enough for him to be convinced that it was wrong and even deplorable. He had to be satisfied that no reasonable person, knowing all the facts, could contemplate such an action.

Temporary

Michael Dixon writes: However disconcerted Mr. Fred Mulley may be by the result of the appeal, he need not be too worried.

The Conservative-controlled Tameside Council, threatened with the reprieve of the grammar schools seems sure to be only temporary unless there is a change of Government soon.

COUN. DONALD THORPE, chairman of Tameside Education Committee, said he was pleased that they now had a better education system. He did not think there would be any problems over selection, because they had a panel of teachers standing by.

Tory front bench Education spokesman, Mr. Norman St John Stevas, said:

"Great credit is due to the Tameside councillors for their courage and steadfastness. The decision will encourage all of us who are fighting for parental freedom of choice to redouble our efforts."

The Department of Education and Science said last night in a statement: "Officials have reported to the Secretary of State that he is considering the implications and possible future course of action in the light of today's judgement."

In these circumstances—with the effect being merely to prolong the conflict among teachers and parents in the area—the appeal result is likely to be viewed by the teaching profession generally as yet another unfortunate outcome of political interference in educational affairs.

Spread cuts across board, say scientists

BY DAVID FISHLOCK, SCIENCE EDITOR

ONE OR EVEN two big new among other research councils physics research projects may for the idea that the whole of the £5m. cut should fall on the science in the Science Research Council, vote for 1977-78, Sir Sam as the one with the most experiments, chairman of the pensive projects—it has seven Science Research Councils, new projects, totalling about £74m., under consideration.

This week top science advisers They accepted, though, that led by Sir Sam will suggest to almost a third of its budget was tied up in international projects, such as high-energy physics in Geneva, neutron protons across the five research physics in Grenoble and the councils. This means that the European Space Agency, in Science Research Council would which the declining value of the have to save about £2m. pound and imposed a heavy

Neutron beam

One direct consequence of the cuts is that it is little likelihood of another U.K. research satellite project to follow U.K. 6, approved last year.

Another could be an accelerated march to high-energy physics in the U.K. with the closing of the NIMROD atom smasher at the Rutherford Laboratory brought forward from 1978.

The Rutherford Laboratory is in the early stages of formulating a new project for the 1980s, in which a lot of NIMROD's structure might be incorporated although it was thought science brought forward to generate a powerful beam of neutrons.

Indications are that for as little as £10m.—much less than to solve its problems, it was the "high-flux" reactor also responsible for consumer goods becoming cheaper in real terms.

There was some enthusiasm neutron beam research facility.

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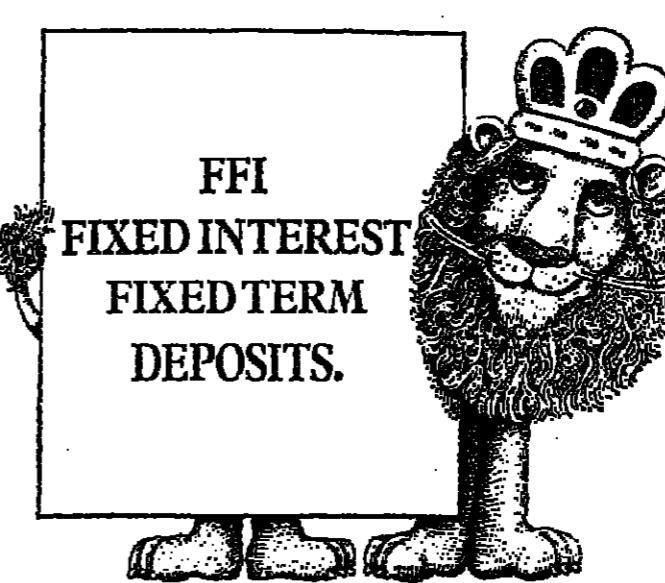
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HOME NEWS

NEWS ANALYSIS—LLANWERN

A new temper in steel

BY IAN HARGREAVES

LLANWERN'S industrial relations are a by-word for disaster £500. The national anger at the miners' strike having been consulted or even informed about the study before its completion, were further enraged when BSC appeared to co-operate in a BBC television film broadside similar job to Sidmar's.

The facts are that since the steelworks began production in 1962, the British Steel Corporation's attempt to drive output lower has led to some significant tonnages per year by a process of rolling investment, has frequently been blown off course.

In not a few cases, the blame for this could be, and was, laid squarely at the door of the 10,000 workers and their managers who, three years ago, agreed to accept a cut in pay without a fight.

But in the last 18 months, Llanwern's strike record has been very different. From the blastfurnace split, to the recent announcement of a new plant, including the large Scheme C blastfurnace, which has not avoided the limekiln.

Even so, Llanwern has not avoided the limekiln. First came a report on manning comparisons between Llanwern and the Belgian steelworks at Sidmar.

The report produced for internal use by the corporation showed that Llanwern employed almost 10,000 men to do a

bad strike worth mentioning, an achievement aided by the generally pacifying effect of the pay policy, but registered one-up-one-down in a period when other unions have fared under the acute pressure of the de-manning issue and the cutting of premium weekend shifts.

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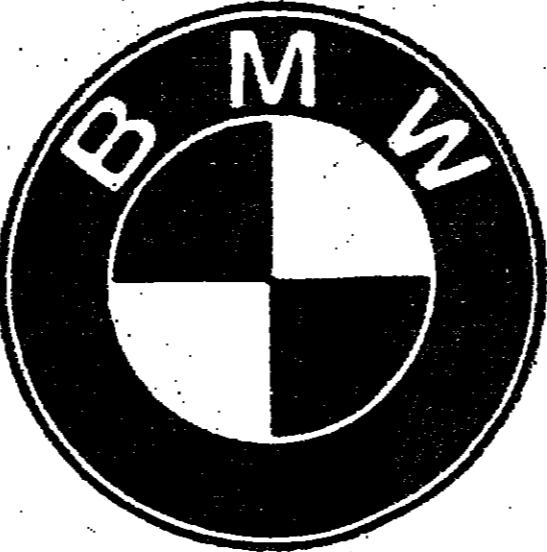
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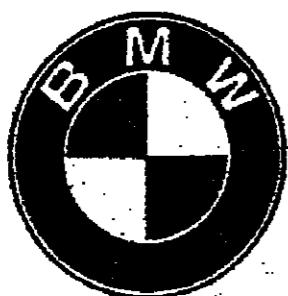
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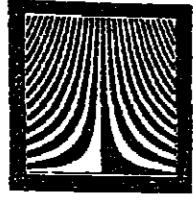
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ENERGY

Bid to double oil resources

EXPERIMENTAL techniques involving the pumping of a foam into an oil reservoir, representing new approaches to recovering oil from underground sources are being tested by a team of engineers and scientists at Heriot-Watt University, Edinburgh.

Current methods of extraction employed by the petroleum industry may leave behind as much as 40 to 50 per cent of the oil and, if the methods being investigated by the University research team prove successful in application, the life of an oil well, presently estimated at 20 years, could be almost doubled.

The Science Research Council has backed the research with two "priming" grants, totalling £24,250, under the direction of Professor Cecil Nutt, head of the department of chemical and process engineering at Heriot-Watt University, together with Professor James Brown (Chair of Petroleum Engineering).

First of two methods being in-

vestigated involves the pumping of a foam into an oil reservoir. At present, oil is extracted by natural pressure supplemented by injecting water or gas. Water and oil, however, do not mix and this technique leaves considerable quantities of oil behind, trapped in rock pores.

It is thought that a foam will displace the oil more efficiently than water or gas separately, so the University researchers believe that considerably more oil can be extracted by using foam in this way. Little is known of the problems which would be involved, however.

Present methods of extracting oil are "pretty poor," according to Professor Nutt. "The so-called 'depleted' oil-fields of America, for instance, still hold great quantities of oil. Earlier methods of extraction skimmed off the cream, estimated at only 50 to 60 per cent of the total, leaving the rest behind, and have perhaps made it more difficult to extract

the residue in the future. The foam methods looks promising, and we are trying to learn something about the fundamental properties of the foam and what will happen when a foam plug flows through porous rock."

The second method tackles the same problem from a different approach. Instead of foam, the research team is investigating the use of chemicals, somewhat similar to soaps or detergents, which emulsify the oil, and the way such surface active soaps displace oil from rock pores.

"Crucial to the economics of both methods," says Professor Nutt, "is that rather expensive foaming and detergent chemicals tend to be lost by absorption in the rock stratum or by dilution in residual water. Our investigations will help to predict more accurately the behaviour of chemicals in these conditions, to minimise waste."

Heriot-Watt University on

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COMPONENTS

Compact five volt supply

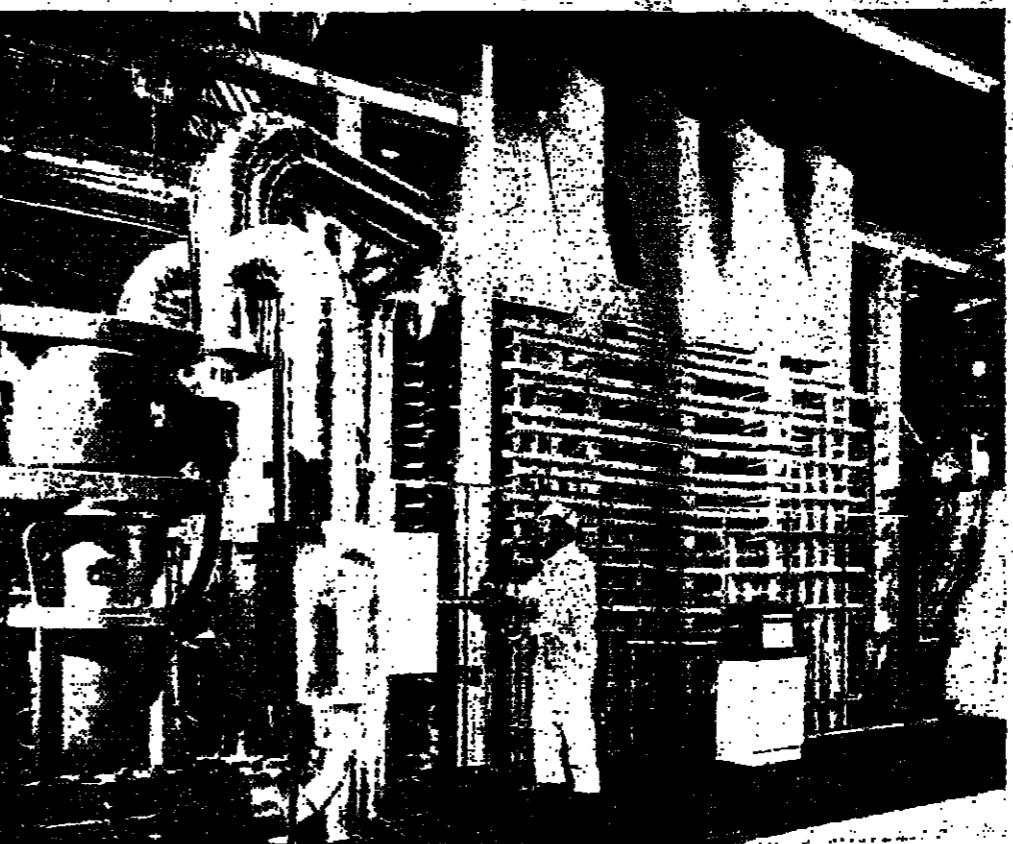
IN TERMS of watts per cubic inch, Powercube Corporation's 5RS100 five volt ten amp unit offers extreme compactness. A DC to DC switching regulator unit, it is now available in the UK from Walkers Electronics, 11, Battersea Street, London SW1H 9BS (01-836 1225).

The use is in equipment of devices or in this kind permits system economies because smaller heat sinks can be used, fans and blowers can often be omitted, and lower capacity batteries may be employed.

Measuring only 3 x 2 x 11 inches, the unit is designed for heat sink mounting. Input requirements are from 18 to 32 volts DC and the output provided is five watts DC at currents up to 10 amps.

Efficiency is a minimum of 65 per cent at 24 V DC in full load and 25 degrees C case temperature. The unit, which has a military background, is rugged and has an MTBF exceeding 100,000 hours in environments which include temperatures ranging over -55 to +100 degrees C. Units can be paralleled to give outputs up to 100w.

This array of equipment is the heart of a new £1m plant just brought into operation by Formica for the production of copper-clad laminates which are used as the base materials for printed circuits. Essential to the whole operation is a press which



produces 12 ft by 4 ft sheets of the material. The plant has been installed at the company's factory in North Shields and is capable of producing about 930,000 square metres of laminate a year.

INSTRUMENTS

Accurate electronic tank gauge

FOUR British electronics engineers have used their knowledge of aviation high technology to solve a problem that has long bedevilled petrol stations and other businesses where it is vital to measure stocks of free-flowing materials in tanks. They have invented and developed to a commercial product a gauging system that has no moving parts and other than an on/off switch and a selector switch which its contents can be displayed.

The partners have formed a company in Farnborough—Astronics—to produce and market the gauge and the first pilot tests in situ have been so successful that the immediate problem appears—to them—to be "how to move quickly enough to capitalise on the immense market opportunity while still far ahead of competition."

Stuart Tovey, chairman and chief executive of Astronics, says: "For example, 11 would-be licensees have approached us

from Spain alone and we have indicate levels and the display the task of picking the best one. Our first pilot installation went into a BP filling station in Farnham last autumn, and now we have units out with Shell, Esso, National Benzole, Elf and some private petrol station owners."

Now in the technique employed by the gauge is the use of the known dielectric constant of the material being measured. The two tank probes are capacitive transducers, one acting as the reference and the other as the contents range capacitor.

The equipment measures the resistance, converting it to litres which figure is shown on a digital display unit in the manager's office at a flick of the on/off switch. The manager, without moving from his desk, can thus see the contents of any tank from a total cost of about £1,500.

The system comprises the two probes, an isolating barrier box—which ensures no undesirable electrical energy levels reach the tank probes—and the desk display unit, incorporating a tank selector control.

There are no floats involved to

indicate levels and the display can be located any convenient distance from the tanks. If required, the unit can be linked to an automatic printer to record tank contents in sequence.

The two-probe unit, one being used as a reference, acts as a bridge system, so that changes in the product and the temperature are compensated for, maintaining accuracy of contents readings under varying conditions.

The gauge will function for any free-flowing material, not only petrol but also cement and even grain. The solid-state operation makes for reliable, low-maintenance operation and is therefore especially suitable for hazardous installations and for storage tanks that are particularly inaccessible.

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The equipment measures the resistance, converting it to litres which figure is shown on a digital display unit in the manager's office at a flick of the on/off switch. The manager, without moving from his desk, can thus see the contents of any tank from a total cost of about £1,500.

The system comprises the two

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There are no floats involved to

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PORT**Britain's eyes on Jenkins**

A GREAT concrete Montreal's Olympic等着 for the uninvited. owner had the pundits shuffling to the conclusion it was slow—action than it clamped its jaws on quibblers, chewed v. and began to spit out records.

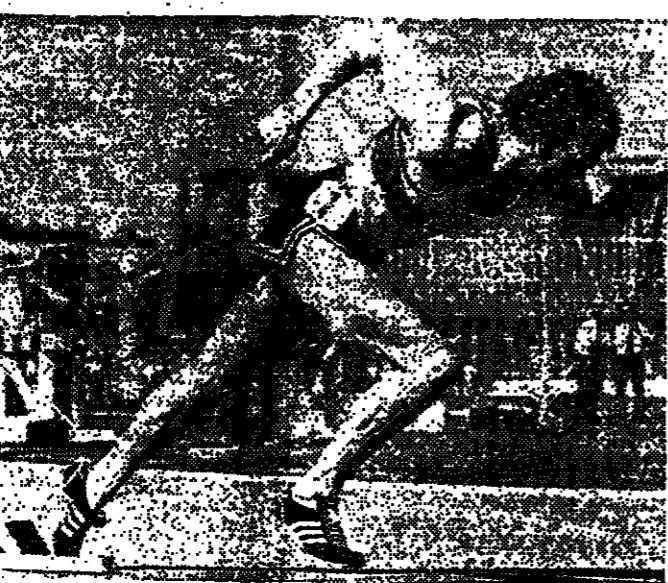
81m. stadium continues race controversy. Many it is the most remarkable the most difficult to what in visitors from across refer to as Montreal's Complex—an astonishing built for about a seat in which some joins in the roof fall

Now it is not. No sooner negret Richter of West, trimmed six-hundred of a second off the 100-metre world record semi-final (she later gold medal in a more 11.08) than Cuba's Juantorena lowered the record for 800 metres by 8s of a second to 43.5 seconds.

No sooner had Juantorena, thrown flickering with finished blowing kisses senioritas in the crowd long-legged American misses, a non-nonsense if ever there was one, only 18 strides behind all the way, chipped two-tenths of a second off Jui-Sua's world mark in metres and won easily

with records like the stadium eased back seat concrete legs and what to permit next, minutes 10 seconds in metres? A 400 metres? A run of 32.00 from record holder John of New Zealand, in the reses!

Il have to wait and see, e weather stays as cool only 20 still immature and with the temperature and a great deal to learn (Juantorena on the windless floor is 25) can a best-ever 14.45 but remain as low as been, records will



MICHAEL THOMPSON-NOEL
REPORTS FROM MONTREAL



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That was, clearly, a ploy. His performance in the 800 metres final, leading from start to finish, had strong men like Belgium's Ivo Vandamme (1.43.86), America's Rick Wohlbauer (1.43.12) and West Germany's Willie Nuebel (1.45.26) sagging and broken at the finish even though their own times were highly respectable.

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Tory peers will change dock Bill, Prior warns

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

Moon pact when we've peace on Earth-Peer

THE GOVERNMENT was yesterday urged by Lord Wallace of Coslany (Lab.) to negotiate peace treaties on Earth before worrying about the problems of the Moon.

Lord Kenney (Lab.) had asked the Government in the Lords whether the UN committee on the peaceful uses of outer space was discussing a treaty about the Moon.

Lord Goronwy-Roberts, Minister of State, Foreign Office, said a Moon treaty had been under discussion for several years.

Lord Wallace asked: "Is it not true that the world needs peaceful treaties for the problems of the Earth before we get worried about problems of the Moon."

Lord Goronwy-Roberts said all peers would agree with that sentiment. He reminded the House of man's exploits on Mars and said he hoped that man would be received in outer space "with acclamation rather than martial acclamation."

Police shortage recognised

THE SHORTAGE of London policemen had been recognised by the Home Secretary in his speech on the most difficult problem facing Britain's police service.

Lord Harris of Greenwich, Minister of State, Home Office, told the Lords yesterday.

Lord Grindley had asked, in view of the increase in crime in all categories and an overall deficiency of 5,208 in the Metropolitan Police last year, what steps were being taken to bring the force up to strength.

Lord Harris said the number of vacancies had been reduced by the end of last month from 5,401 to 4,812. In the first half of this year 992 recruits had joined the force and training arrangements had been expanded.

Opposition warnings of an increase in demarcation disputes were accompanied by the controversial scaring speeches outside Dock Work Regulation Bill to the House suggesting that the guillotine in the Commons would be invaded by the unions last night.

With the Government resisting eleventh hour efforts of the Tories to win further changes in the Bill, Mr. James Prior, shadow Employment Secretary, gave advance notice to Ministers that Opposition peers on the next stage of the Bill through the Lords would consider it their duty to write important amendments into the legislation.

Such action, Mr. Prior pointed out, would ensure that matters not "properly discussed" to date would have to come again before the Commons after the Lords had dealt with them.

This was less than welcome information for the Government which imposed the guillotine in order to get the Statute Book as quickly as possible. The scheme to extend the dock labour system to cargo-handling establishments within five miles of a waterfront.

The proposed extension of cargo handling areas and the definitions of what should be regarded as dockwork were going to lead to a dispute another, Mr. Prior maintained, on the report stage of the Bill.

This would happen, he conceded, even though the opportunities for dockers to take over the jobs of others had been greatly reduced in the course of work classified as dock work.

Some right of inquiry and

From the Labour side, Mr. Prior was accused of having made the controversial scaring speeches outside the House suggesting that the guillotine in the Commons would be invaded by the unions last night.

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employers and employees of all</

The Management Page

Michael Donne describes the problems facing the recently set up British Airways Regional Division under its chief executive who is a former RAF and airline pilot.

Why five operations became one

MANY pilots over the past years have made the transition from the flight deck to the director's chair. For with a fleet of 32 aircraft (including three Trident 1Es rare; for another, many One-Elevens, two HS748s and 20 turbo-prop Viscounts).

This financial year, it is estimated that it will carry 2.7m passengers, mostly on domestic routes, and earn nearly £60m in revenue, with a staff of 2,422. The Division makes 170 flights every day. Overall BA group turnover is around £900m.

These figures, in Jack Jessop's view, speak for themselves. Although part of BA, Regional Division is still an airline in its own right—it ranks in size as the 22nd largest in the world—and its aim is to make money in its own right.

The creating of Regional Division by the merger of Scottish, Cambrian, Northeast and Channel stemmed from a review conducted by BA of these individual airlines last year, when it became apparent that something drastic had to be done to halt the recurring losses. Captain Jessop believes that, had it not been for the downturn in the economy, it might have been possible for the individual airlines to remain separate, with their own localised management. But with the losses growing, and no immediate sign of improvement, it was clear that there would have to be either substantial cuts, a major reorganisation, or the total shutdown of U.K. regional operations by BA.

The Regional Division is many "cross routes," those linking provincial

cities with Northern Ireland, Scotland, the Channel Isles and the Continent, and operates a fleet of 32 aircraft (including three Trident 1Es rare; for another, many One-Elevens, two HS748s and 20 turbo-prop Viscounts).

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The review, conducted by BA's own staffs, showed that

three steps were necessary if the Regional operations were to achieve the basic targets of saving £80m by March 1977, and creating the climate that would enable new aircraft to be ordered. This three-point plan included the reduction of loss-making charter operations; the

aircraft already flying — a new subsidiary of BA, in 1972, and One-Eleven or Trident, a Fokker F-28, or even something not yet built, such as the projected short-haul Boeing 7N7.

Regional Division is looking hard at all possibilities, for it cannot afford to make mistakes with a bill that will come to over £50m, and involve upwards of perhaps twenty aircraft. It is not in a hurry, since it can keep the Viscounts flying for a few more years, but ideally it would like to have its replacement plane settled before the end of this decade.

He still likes to fly as often as he can, logging about 100 hours a year, not only because this keeps his knowledge of the "sharp end" of aviation fresh, but also because it enables him to meet many of the staff he might otherwise not get to know.

He prides himself that back in the days of BKS he knew most of the staff by their first names. While this is more difficult to achieve in the bigger Regional Division, he tries to get to know as many as he can, and he holds regular meetings throughout the network so that

Need for new equipment

Another part of the plan is the need for new equipment. Sooner or later, for example, the Viscounts will have to be replaced.

Captain Jessop admits that he does not yet know what the Division will buy, since the overall requirements of BA itself must be considered.

"We will need an aircraft that will not only suit us, but also any other roles the airline as a whole may need to fill in the years ahead."

The replacement, therefore, could either be the projected Hawker Siddeley HS-146 four-engined feederliner, if that were to be resuscitated, or it could be a variant of some

merger of the four main domestic airlines to provide more profitable deployment of aircraft and crews; a reduction in administrative overheads, and an increase in domestic fares. The BA Board approved the plans in late 1975, and the Regional Division became fully operational on April 1.

Jack Jessop himself tends to play down his transfer from the flight deck to the chief executive's chair. But behind him he has 23,000 hours in the air, from the days in the RAF when he flew Catalinas out of Ceylon, as well as Wellingtons and Lancasters. He went into civil aviation after the war and in 1946 was with flying boats at Southampton. His subsequent experience has included spells as chief pilot with the former independent airline, BKS, where he has been part of the bigger BA structure.

"Internally I want my people to identify with the Division," says Captain Jessop.

The aim is for the Regional Division to emerge increasingly as strong a public identity as the existing European Division (the former BEA) and the Overseas Division (the former BOAC) director of Northeast, the already have.

under the pen name of Ewan Mitchell. The book has over 750 pages but more than half of these are devoted to appendices containing extracts from various statutes. The first part of the book explains the law on dismissal, redundancy, contracts of employment, health and safety at work, employer's liability and other matters in plain, highly readable English.

One section is written in question and answer form and covers virtually everything from maternity pay and moonlighting to disciplinary procedures. This section is well indexed and enables employers to find out their legal position on some of the day-to-day problems that arise.

Bribery is one of the subjects covered in the Employer's Guide to the Law on Employment Protection and Sex and Race Discrimination by Greville Janner, QC, MP, who writes

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TUESDAY, JULY 27, 1976

Cutting local spending

THE SECRETARY for the Environment, Mr. Shore, is to-day meeting local authority representatives to discuss how far expenditure within the guidelines their expenditure during the as well as to those who have coming financial year is likely not. To exceed the limit laid down by the Government and what, if anything, is to be done about it. It appears that the amount of the combined over-expenditure, which was earlier put at £350m. to £450m., is now estimated at £200m. to £250m.—a reduction by central government that, is, of about 5 per cent. to about 3 per cent. of the total. It has also been suggested that local authority representatives may plead that several special factors, all the result of central Government decisions, are together responsible for the greater part of the remaining over-expenditure, which Mr. Shore ought, therefore, to be prepared to overlook.

Certainly it will be possible, if both sides wish it, to fudge the figuring and delay squeezing the local authorities for a few months longer. Although the central Government finances nearly two-thirds of local expenditure, respect for the autonomy of local government is still so strong that it has been difficult to enforce in this part of the public sector the sort of economies which are being imposed elsewhere. To bring pressure on the councils, therefore, Mr. Shore has had to devise measures which all, in the end, imply so large a rise in local rates as to cause political unpopularity.

Rate rise

A large rise is probably needed to provoke ratepayers out of the apathy which generally rules in the many local authorities where one or the other main political party is safely ensconced. To make such a rise necessary, Mr. Shore has threatened, first, to claw back next year that element of the central government grant which is geared to the special needs of particular councils and, second, to subtract from next year's grant any rate increase made to finance excess expenditure; it would also be possible to reduce the overall percentage of local expenditure financed by central government or reduce the allowance normally made for inflation. One thing which all a clash is inevitable.

Russia's trade and the gold market

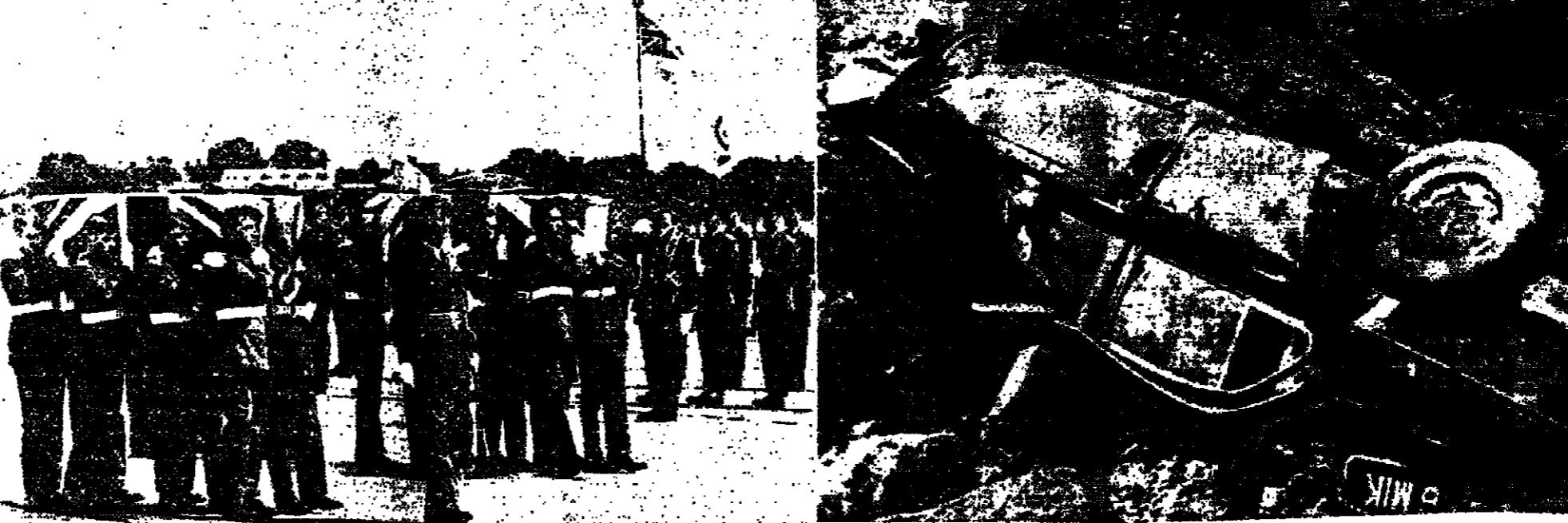
WHEN IT COMES to gold, few countries have such close and economic reasons. In the first part of this year, the Soviet Union's trade deficit with OECD countries was running at \$350m. a month, and its accumulated debt to the West will probably reach \$15bn. by the end of the year, double the value of its gold reserves.

Imbalance

The Russians deny that they are overstretched, and judging by the continuing readiness of western banks to advance them loans, their creditworthiness is not in question. Nevertheless, the increasing frequency and size of Eurocurrency loans being floated by the Soviet Foreign Trade Bank along with the large number of private inter-bank loans under negotiation to finance grain and other imports point to pressure on foreign payments. So far this year, according to South Africa's estimates, the Soviet Union has sold about 150 tons of gold. This is twice last year's rate, and may have helped weaken the metal's price.

Whatever the harvest, though, there is a fundamental imbalance in the Soviet balance of payments which the Russians themselves admit must be remedied over the coming period. Judging by the new Five Year Plan, they aim to do this by raising exports rather than curbing imports. But should the export drive fail to get up steam—which could well be the case because of the West's generally low regard for Soviet industrial goods, and the Russians' difficulties in achieving larger export surpluses of raw materials—the brake would have to be applied on imports. And as in most countries, the first casualties on such occasions would be consumer goods. Recent experience suggests that capital goods would come next, and food last. As the Soviet official responsible for electricity was recently quoted as saying: "We would rather people ate in the dark than starved in the light."

The economic recession in the West had the double-edged effect of reducing demand for Soviet exports and increasing the cost of capital imports to which Moscow is now heavily committed for a variety of poli-



An RAF guard of honour (left) for the coffins of Mr. Ewart-Biggs and Miss Cooke at Northolt; the wreck (right) of the car in which the ambassador died.

Giles Merritt examines the political implications of the killing of the British ambassador in Dublin

Aftermath of a murder

Ireland's grief and shock over the assassination last week of British Ambassador Christopher Ewart-Biggs is now slowly turning to anxiety, for the political implications of his death are disturbing. The British Government is faced with a difficult political situation; much as it wants the killers tracked down and sentenced, it is even more concerned that the Irish Cabinet should not over-react with a set of draconian anti-terrorist laws.

Union attitude

But there is a more immediate political calculation which he has to make. To fudge the figures and wink at the over-spending can be only a short-term policy, since next November the Government will have to give in, publicly and embarrassingly, to the over-spenders or demand a very sharp and painful cut in local expenditure.

On the other hand, there may be some political pressure to postpone a decision for a few weeks. The probability is that the Government will win the reluctant consent of its supporters to last week's announcement of expenditure cuts for 1977-78 but the various unions representing public employees have understandably been among the loudest objectors.

Their objections have not been softened by the Prime Minister's strong hint last week that local authorities ought to be cutting their staffs and not only their services to the public; and, at a time of high unemployment, their attitude may set off a sympathetic note among other trade union leaders. Mr. Shore may choose, therefore, to play for time at today's meeting rather than provoke a head-on clash. But sooner or later, if the Government means what it says and local authorities do not mend their ways, such a

clash is inevitable.

The Irish Government is under strong pressure from both hardliners inside Mr. Liam Cosgrave's "law and order" Cabinet—and from a climate of opinion here that is deeply ashamed of last Wednesday's assassination—to go for the mailed fist approach. The intensity of the Irish public's reaction to the landmine attack on the ambassador's car, in which he was killed along with a girl secretary while Britain's top civil servant in Ulster, Mr. Brian Cubbon, was seriously injured, has surprised many Irishmen.

Some maintain that feelings are running higher and the shock is greater than when loyalist car-bombs exploded in Dublin in May 1974 killing 28 innocent passers-by. That is it argued, fell into the pattern of Ireland's grinding, undecided civil war.

The deliberate murder of a lone envoy too recently arrived in Ireland to have become involved in its politics, is being felt as a national humiliation.

"It is clearly in support both north and south of the Border. Indeed,

an official said to me, "call firing the killers probably underestimated the deep revulsion that as the Provisional and Official Sinn Feins and the Marxist

end of a week and the trial has produced. But the aim is to grow colder, the Irish authorities reckon inside Ireland's Department of Foreign Affairs

assassination plot was an all-out to have been the creation of Provisional IRA attack. A task force of several thousand soldiers and policemen is carrying

out with a difficult political situation; much as it wants the killers tracked down and sentenced, it is even more concerned that the Irish Cabinet should not over-react with a set of draconian anti-terrorist laws.

Awareness of this in both capitals has produced a surge of diplomatic activity. The brief

mountainous, sparsely populated area of the city. The list of small

Office diplomats with overall responsibility for Anglo-Irish affairs, together with the hurried

return from his holiday of Mr. Sean Donlon, the Irish under-secretary whose department is

directly concerned, is indicative of the seriousness with which the new situation is being treated.

The diplomatic tensions do not, in fact, centre around the vexed question of the security screen that the killers were able to penetrate. That is a controversy currently raging in Dublin itself. The problem is the political responses that the Irish Government must make in the wake of the assassinations.

Although Dublin clearly has to be seen as retaliating directly against Republican terrorism, if only to ensure that there is no backlash against the 600,000 Irish nationals living in Britain and no surge of Protestant revenge atrocities inside Ireland by Ulster's Loyalist private armies, any response risks destroying the carefully balanced relationship that exists between the two governments.

Mr. Liam Cosgrave's government arguably has three options open to it. First, it can maintain a dignified low profile in the hope that the furor will be overtaken by other events or will slowly die down. Second, it can make a determined show of force by increasing the number of suspected Republican terrorists that appear in the British military and political presence undiminished. That measure of

self-jury special criminal court, and the length of sentences it imposes, and by banning all public demonstrations of extreme Republicanism. Third, it can opt for the imposition of a rigid clampdown involving the recruitment of all militant

Republican organisations, such as the Provisional and Official Sinn Feins and the Marxist

forced into a crackdown—that prepared to see the h some real gains could be any rate, hanged achieved from the undoubtedly death sentences were

in Ireland. Close and Murky six week co-operation between Irish authorities w

the security forces on both sides perfectly swamped w

between the politicians and Britain. There had b ture possibility that I

judiciary over such thorny questions as extradition and

Ireland's legalistic territorial claims to the North in the Constitution, have to date been

made impossible by the Irish Government's view that such matters are "politically impossible."

The diplomats at any meetings held since the

assassination could conceivably be employed. It is probably the hardline reaction that the Provo

reactions would welcome, for repression breeds popular support

for their cause. But the Dublin Government might

the "lifting" of the many hundred

Provo's guerrilla war machine in the field is worth that risk.

The bi-lateral, political repercussions of such a move are the most worrying. For Britain's

policy during the 30 months

since the 1972 Belfast Agreement, that Northern Ireland Secretary

Mr. Merlin Rees has had re

aimed at restoring normality in the province and countering terrorism with the rule of law.

To that end he has abolished internment there and even against much opposition retained the right to keep his contacts open with the Provisionals' political wing.

Both Britain and Ireland share the same basic policy approach to Ulster: that for the foreseeable future the province must remain an integral part of the U.K. with the British military and political presence undiminished. That measure of

self-styled anarchists Noel and Marie Murray, a young married couple convicted of the murder during a bank raid of an off-duty policeman. Their appeal is minimised, it could be

shortly to be heard, but it is minimised, it could be

to fail there have been persistent indications from in

pitched battles, and taking on the Iris

line Cabinet Ministers would be amount to.

THE PENTLAND INVESTMENT TRUST LIMITED

Six Months to 30th June 1976

The Directors have declared an Interim Dividend of the year to 31st December 1975 of £0.75p a name per Ordinary 25p Share which with the imputa

credit is equivalent to £1.34615 gross (1975 name). The Dividend is payable on the 2nd August 1976.

The unaudited figures for the six months to 30th June 1976 are shown below together with the comparable for the six months to 30th June 1975.

1. Gross Income £386,366

2. Net Revenue after all charges including taxation £18,835

3. Taxation charged in arriving at Net Revenue

(a) Overseas Taxation £1,728

(b) Corporation Tax £1,590

(c) Impôt sur les sociétés £1,000

Investment Income £30,622

4. Cost of Dividends (Net) £17,394

(a) Preference £12,822

(b) Ordinary £15,222

5. Rate of Interim Dividend on Ordinary Shares Add: Imputed Tax 0.87500p

Gross equivalent 1.34615p

6. Earnings per Ordinary 25p Share £1.73p

7. Net Asset value per Ordinary 25p Share £125.59

Including whole of dollar premium of 26.2p

(45%) Notes

1. The Net Asset Value has been calculated after for the Interim Dividend and deducting prior at par.

2. No provision has been made for tax on Capital calculating these figures.

3. Earnings on the Ordinary Shares for the first six are 22 per cent higher than for the same pe

year. The second half is unlikely to show the s

of growth. The present estimate of earnings for

1976 is £3.30p per Share as against actual earnings

for 1975.

EAST OF SCOTLAND INVESTMENT MANAGERS LTD

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MEN AND MATTERS

Phoenix-like from the ashes?

Kaye Metrebian, the Armenian founder of Brentford Nylons, whose illness two years ago was

one of the factors behind the company's troubles, is planning a comeback with a new mail

order and retail sheets operation within the next few months.

Metrebian, who has made a substantial recovery from a severe stroke, has been receiving his old links in with the fibre companies in a year with campaigns featuring

the launch of his name— and picture —

strongly, together with his

guarantees of quality, and a lower price than competitors — including Lonrho.

With the consumer. Here he — the passengers are fitted inside points to the 20,000 letters he — the design team has recently received personally in one week taken to calling its new dream

Tardis.

Even more important is the company's success all were istics of the Tardis may also be receiving a brochure with unwittingly attached to the little Metrebian's signature ten times car's image. After all is Tardis a year. "It is not the name not the machine" whose steering Brentford Nylons that has the controls appear to carry at following but the founder that least a two-year guarantee of never obeying the driver? And

Metrebian, who has made a substantial recovery from a severe stroke, has been receiving his old links in with the fibre companies in a year with campaigns featuring

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guarantees of quality, and a lower price than competitors — including Lonrho.

Still more or less with the same

company: a gleaming Rolls-Royce recently cruised past the

Financial Times sporting the number plate 1 CAR. The unkindest speculation as to the ownership of the vehicle was:

the chairman of British Leyland!

As fast as the basic styling and concept is concerned the designs are just about complete and there seems to be general agreement at Leyland as to how the car should look. The length will be pitched between the current 10 foot Mini and the 11 foot 8 inches average of

SOCIETY TO-DAY

BY JOE ROGALY

The case for a budget for the disabled

NEED a budget for the abled, in constant 1975 prices, is shown as 50 per cent between 1971-72 and 1975-80, and of old people is increasing; course, the cash upratings due is not so easy to discern whether we are spending in or too much of the amounts in the right matters—the many pres- tions, the Department of Health and Social Security, and Minister for the Disabled, Alfred Morris—may be about the principles in, but some of the rest of us find it easier to make r minds if a hard frame of fact was available.

sad truth is that no such exists. Ask any official department, "how much am I spending on help for disabled?" and the answer is, "I can tell you if it, but it is not possible to tell all of it."

For example, the table social security in February-White Paper on public expenditure. This shows that 1976-77 financial year I spend £143m. on indus- siblement benefit, plus on attendance allowance for those who are supposed that they need to look after them), £m. on the Government's co-contributory invalidity (for those who could into the national insurance), plus £28m. on the new mobility scheme. Total so far: £306m. is a figure for "war pen- £245m., but some of paid to widows rather than disabled. The numbers involved suggest a to one split, so add making it £490m. up stop at this point the in support for the dis-

democrat or socialist governments. In Denmark it led to the meteoric rise of Mr. Mogens Glistrup; in Holland it has for several years bubbled as an underlying discontent. In both countries, the visitor is told, people can apparently complain of an aching back and retire for life on the State. Never mind the obvious exaggeration involved in such folklore; when it begins to spread it is a powerful political counterforce against those who genuinely want to help the disabled. Since the overall pressure in Britain is now for a continuing downwards revision of total public expenditure, those who most need help must be guarded from the consequences of muddle or ignorance.

The muddle is worse when you try to estimate the likely future numbers of beneficiaries. The standard text on the subject is "Handicapped and Impaired in Great Britain," by Amelia L. Harris and Judith R. Buckle, published by HMSO in 1971. It is based on an Office of Population Censuses and Surveys sample taken in 1968-69. It was a large, and apparently good, sample survey, and no one has seriously quarrelled with its finding that at that time there were 1.1m. badly disabled over the age of 16 living in private homes. About half of these were defined as "appreciably handicapped," needing some support, with the rest either "severely" or "very severely" handicapped. Another 2m. people were found to be found in myth and suspicion, not straightforward statements of fact. I have discovered this in visits to both Denmark and Holland, where a backlash against invalidity or sickness pensions has been felt by social



Baroness Sharp: Recommended small cars.

handicapped is now about 1.1m.; on the other hand it should be or, if you add those not needing much support, plus some estimates for a period as short as 250,000 in institutions, some as that Motor accidents add to the number of disabled every year;

handicapped is now about 1.1m.; on the other hand it should be or, if you add those not needing much support, plus some estimates for a period as short as 250,000 in institutions, some as that Motor accidents add to the number of disabled every year; the more important figure from the national cost point of view, and 1974, at £2,000, was below the what we really need to know about it: how much is it likely above the 52,000 of 1951. Of these some of course recover completely, but others must be of much use if they were taken beyond, say, five years; wheelchair, or a limb short, or

minority, but rather a majority. No doubt he is on to something here—but, once again, a numerical buttress would help to keep his argument standing

blind, or otherwise handicapped. We should be soft-hearted, tricycles will disappear, over a period of five years, with the result that those who now make use of them will have to put the £5 allowance (to be up-rated, hopefully in "real terms," next year) towards a form of transport of their choice. Just about every pressure-group for the disabled is up in arms on one side or other of this argument, while newcomers to the debate are quickly dizzied with questions like "should cars go to the handicapped whose husbands or wives could drive them?" or "what about disabled passengers?" or "should all or part of mobility be paid for by the State?"

Against all this must be set the medical advances that prevent birth defects, before a net figure of likely increases (decreases) in the numbers of disabled and handicapped people can be arrived at. Our duty as a society is to care for such unfortunate, or, better, to help those who can care for themselves; it would be easier if we had some idea of the magnitude involved.

The Minister for the Dis-

abled, Mr. Alfred Morris, points out, quite fairly, that any such figure must be a static one. It tells how many handicapped people are likely to be in need of help at any given point in time. What it does not rub home, Mr. Morris says, is that most of us are likely to join the ranks of the disabled or handicapped before we die. The exception, he says, is being healthy one minute and gone the next. The large numbers of elderly handicapped people are the main evidence for his argument; the statistical chances of being involved in a serious accident during a lifetime add to the evidence. Because of this, he says, we should

issue to people needing them for travel to and from work,

full-time higher education, or essential household needs. The Labour Government rejected this, on the ground that the 23,000 users of three-wheelers constitute an elite among the disabled, chosen not for any particular disability but rather the ability to drive.

Its preferred remedy is a new flat-rate "mobility allowance," which will go to a rather larger minority of the disabled popula-

tion: about 100,000 people. The no.

I do not wish to dodge this issue. The natural immediate response must surely be in favour of this morning's appeal from the Disability Alliance, a group headed by Professor Peter Townsend which claims to represent more than 40 organisations concerned with disabled people, for a phased programme of provision of four-wheel cars to priority categories of disabled drivers and passengers; plus acceptance in principle of a "general disablement allowance" built on the mobility allowance; plus a change to several rates of allowance rather than one flat rate and an exten-

sion to all disabled people.

Yet the facts of economic life dictate that even if it is right to do all or most of this, the advance calculations must be hard-headed. Given total ex-

pense on the handicapped and disabled, are these the right priorities? Should the total be increased? Possibly the answer to both questions is yes, but without proper costing of both existing and proposed new pro-

grammes it will inevitably be

To-day's Events

GENERAL
The Queen attends annual service for Order of St. Michael and St. George, St. Paul's Cathedral, 11 a.m.

Prime Minister meets Civil Service union leaders on proposed spending cuts.

CBI Financial Policy Committee meets.

British Gas annual report.

PARLIAMENTARY BUSINESS House of Commons: Commencement of remaining stages, Aircraft and Shipbuilding Industries Bill; Remaining stages, Licensing (Scotland) Bill.

Joint delegation of Scottish Labour Party and Scottish TUC lobby MPs on Government's devolution proposals.

EEC Foreign Ministers meet, Brussels.

House of Lords: Trinidad and Tobago Republic Bill, remaining stages, Finance Bill, and Industrial Common Ownership Bill, second readings.

OFFICIAL STATISTICS Construction new orders (May). Slum clearance (2nd quarter, provisional). Housing starts, completions and grants (June, provisional).

COMPANY RESULTS Fairley (full year). Gindlays Holdings (half year). Hong Kong Shanghai Banking Corporation (half year). National Westminster Bank (half year). Taylor Woodrow (half year).

COMPANY MEETINGS: See page 16.

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If your business is international, Bank of Tokyo can do a great deal to help it run more smoothly and more profitably.

For a start, we've got branches and connections spread over the length and breadth of five continents.

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And behind everything we've got nearly 100 years experience of making life easier for the businessman.

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SAO PAULO RIO DE JANEIRO
EUROPE LONDON PARIS BRUSSELS
HAMBURG DUESSELDORF
FRANKFURT ROTTERDAM LUXEMBOURG
MILAN ZURICH VIENNA
MADRID

THE MIDDLE EAST
BEIRUT TEHRAN
AFRICA CAIRO JOHANNESBURG
NAIROBI
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BOMBAY KOLKATA LUMPUR
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OCEANIA SYDNEY MELBOURNE
WELLINGTON

BANK OF TOKYO
A leading international bank since 1858.

Letters to the Editor

2 need to equip

r Fred Cathwood,
of Council.
Institute of Management.

Just over a year ago we were campaigning for our membership of the Community. We began tariff-free access to the world which would finally out of our stagnant economy. The campaign was a real success. But our efforts of a year ago are now to ask where all our sm has gone. One of the other day that I did not expect to be a major factor but a tidal wave ts. He said that British investment was not ironically run-down but ipanies showed no sign ng it right. The only in his view, was a period of import controls the State planned and e investment which had failed to make. is a lot one can say in The City has produced for industry since last year. Major com- forecast an increase of per cent in volume of Our share of world ems to have steadily forecasts on manufac- investment are not course a lot of industry is well enter full capa- cashflow has not re- from inflation and the le. We are entitled to remun for the cash not and to tell the unions can't have higher real the investment are not just arguing over the unions fighting for business in our market place with which for at least a are had the cashflow to a new equipment at rate. And new equi- usually produce new and tighter specifications greater versatility and cost. So with the tariffs off, our own home more vulnerable and the prospect of a continuously de- bound is not a lasting we opted a year ago for market and if we are not prepared to live with the news, we are likely to a controlled market k time to come. consequence is that e to hold our domestic against European "in" must re-equip as fast as. While we lived in and relatively protected the big push was on. A whole generation of business grew up with continental wisdom. The now is failure to match up to our competitors' pro- capacity in quality as quantity. Those who fail it will be out of busi- or five years.

VAT

em

J. Holland.

Mr. Ronald Radford (July issues to cover up the maladministration of which he is responsible) indicates that the points we have already answered by Treasury and by his Department, "not

is that you will con- continued waste of public mon. a year of public

What democratic process?

From Mr. W. Richardson

Sir.—On reading the letter

from Sir Ronald Radford (July 23) I hope your readers will not be lulled into thinking that all is well with the VAT admini-

stration. If Mr. Christie will look back over the past, he will realise that, though the majority of people obeyed the law, they often did so, not because they liked the law, but because they had little choice. What democratic processes are

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AAH reaches target with £4.78m.

NE with estimates, profits tax of AAH reached £1.1m. for the year ended March 1976, compared with £4.15m. last year. Turnover improved £175.82m. to £185.94m.

net final dividend in the st. 4.78275p on capital d by a rights issue making 1 of 9.0475p—the maximum tress against 8.27702p pre.

Expenditure on share issues from 23.7p to 27.5p, already announced, the intend to recommend a dividend for the current year net.

directors say it is too early cast the outcome of the t year, but they have no about the strength of the management and finance may be confident of the to perform well overall in rrent year and in the

now been confirmed at a hearing of the High Court.

Headway at Hall-Thermotank

PRE-TAX profit of Hall-Thermotank rose from an adjusted £550,000 to £600,000 in the six months to March 31, 1976. The directors forecast a further improvement in the second half.

The group's activity and opportunity are now well known and if these continue the group is well placed to benefit from them.

In agricultural supplies and services the Tyler group produced satisfactory results despite difficult trading conditions on the Continent and unfavourable weather conditions both there and in the UK. Considerable progress has been made in the expansion of business on the Continent and the outlook for the Tyler Group is reasonably optimistic.

The general engineering division had a satisfactory year with LMS Contacts showing profits similar to the previous year and similar to the Brierley and the Clayton Chambers Group showing increased profits.

As forecast last year, Power Plant's profits improved to a modest level. Currently Power supplies has a satisfactory order book and a much increased turnover.

Management is confident that the problems of the past two years have been overcome and a satisfactory contribution to group trading profits is, therefore, expected this year.

● comment

Strong performances from building supplies and general engineering have enabled AAH to keep its ordinary full-year profits slightly ahead of the £4.7m. June rights issue forecast. Volume on the coal distribution side dropped fairly sharply during the year, but a general review of pricing policy allowed the group to hold profits fairly steady. Of the group's traditional activities, only building supplies and general engineering look set for any significant growth in the current year. With maybe will be available in time £500,000 pre-tax coming in from the first inclusion of Chemists Holdings in the results, the group's total profits could reach £5.7m.

The group to cover the forecast of profits' growth can be confidently expected. The company is aiming to be one of the most advanced in the field of compressors for refrigerators; some £3.8m. has been made available for further capital investment in this field by the sale of the Searle subsidiary.

Well-established operations overseas are a considerable source of strength and the work that has been done in developing business in OPEC countries during the last two years is beginning to bear fruit.

A broad estimate has been adjusted to reflect the progressive change in the basis of valuation of stock and work in progress applied in accounts for year to September 30, 1973.

● comment

First-half profits at Hall-Thermotank are always a bad guide to the full-year figures because the bulk of the contracting work is completed in the dry summer months. The heat wave of this summer has significantly increased demand for refrigeration and air conditioning.

Annual profits' growth can be confidently expected. The company is aiming to be one of the most advanced in the field of compressors for refrigerators; some £3.8m. has been made available for further capital investment in this field by the sale of the Searle subsidiary.

The company is technically advanced and capital intensive. It could thin out over the next five years. The shares fell to 77p yesterday, in line with the market, to give a maximum yield of 6.3 per cent.

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An example of the effect of this increase in bonus guarantee is that for an EOID Mortgage Repayment Plan over 25 years for an investor aged 29, the monthly premium for a guaranteed cover of £10,000 is reduced from £18.75 to £17.65.

JEFFERSON SMURFIT

Because of the continued dispute in the Irish banks and the consequent inconvenience caused J. Jefferson Smurfit has decided to replace the dividend warrant dated July 1 drawn on the Northern Bank by a cheque drawn on a bank not affected by the dispute which is therefore negotiable immediately.

CARCLO ENGINEERING GROUP LIMITED

acturers and suppliers of non-ferrous components, abrasives cutting off machines and bandsaws, presses, gears and power transmission equipment, and stainless steel wire, card clothing and card cloth.

SUMMARY OF RESULTS

Year to 31st March	1976	1975
Turnover	£'000	£'000
Profit before tax	6,471	6,393
Dividends per 25p ordinary share	6.08p	6.52p
Dividend per 25p ordinary share	2.44p	2.25p
Dividend cover	2.8	3.2

Points from the Statement by the Chairman

Sir Robin Brook, C.M.G., O.B.E.

and Dividends:

in the interim report . . . I said that overall we were reporting profits somewhat lower than last year's record level. Even we are reporting earnings of £275,000 or 6.9p per share compared with £283,000 or 7.1p per share earned last year, with an increase in liquid resources of £510,000."

Final dividend . . . is the maximum permitted under legislation . . ."

cts:

The present year has got off to a good start although the bank in some of our companies is below par. The of the expected upturn in trade is therefore important there might be some fall off in the next few weeks, but reasonably confident of a further advance over the year to come."

of the Report and Accounts may be obtained from the Carclo Engineering Group Limited, Hightown Road, Hightown, Yorkshire, BD19 5JU. Telephone 0274 873226.

\$10,000,000

Senior Notes due 1988

Molins Machine Company, Inc.

a wholly-owned subsidiary of

Molins Limited

This financing has been arranged privately.

Hill Samuel Securities Corporation Goldman, Sachs & Co.

July 27, 1976

Fodens expects return to profit this year

A RETURN to reasonable profit is looked for in the current year, with next year recovering to adequate profit, the chairman of Fodens, Mr. P. J. Tolley, says in his annual report.

The group's confidence is returning "and we believe our future is bright" Mr. Tolley says.

For the year to April 3, 1976, the group incurred a pre-tax loss of £101m., compared with a £0.95m. profit previously. The dividend is a nominal 0.65p net, but if current progress continues, more normal Ordinary dividends will be declared for next year.

The group is now operating profitably and the chairman expects the rate of profit to increase steadily for the remainder of the year. Demand and order books are good and output gradually increasing to match demand within the limits of financial resources.

New and improved vehicles are being delivered at increasing rates now the group is receiving previously delayed sub-contracted supplies. There are great hopes for the new bus chassis, the production of which is well received.

The capacity to produce, thanks to the earlier investment and expansion, will be adequate once the vehicle range is in balance, but the problem of increased utilisation of this capacity will be solved, says the chairman.

Overall, "the situation with exports is improving and a number of very satisfactory orders have recently been received. In South Africa much of the year's profit was eliminated by devaluation but this should not happen again and increasing contributions are expected from this activity."

A broad estimate has been made of the effects of current cost accounting, but adjusted for the effect of inflation on net monetary

of £2.083,000 under the reciprocal arrangements made in July 1980.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Other meetings are not available whether dividends are to be interims or finals or the sub-dividends shown below are based mainly on last year's timetable.

TO-DAY Interiors, Hongkong and Shanghai Banking, National Westminster Bank

Friday, Custommade Manufacturing, Fairley, Gruane Photographic Products, Scotts Diffusion.

FUTURE DATES Interim— Beaumont Properties General Accident Fire and Life Madame Tussauds

Final— Associated Dairies Associated Food Carrington Investments Formaster, Malvern Rubber Provincial Cities Trust Western Canada Investment

Aug. 3 Aug. 3 Aug. 3 Aug. 3 Aug. 3

Scotcros well ahead so far

AFTER THREE months trading in the current year, sales and profits of Scotcros, the packaging, drink and food group, are well ahead of those for the same period last year, chairman Mr. W. R. Alexander told the annual meeting in Glasgow yesterday.

The group had sold Thomas Bishop, marine equipment manufacturers, to Pipe Forge, he announced. Bishop had not contributed to profits for four years and was no longer had real relevance to the group's main product range.

The funds released by this disposal and earlier sales of the cash-and-carry units would be used for a new £1m.-plus plastic packaging plant for the Wilkin and Price Packaging company in Edinburgh, which would open up overseas markets for packaging products.

Capacity at the group's animal feed company, Parkers, near Glasgow, was also to be increased at a capital cost of £100,000.

Mr. Alexander added that he hoped shortly to announce a packaging acquisition in the UK, and that the group was having talks in Germany and France with a view to establishing a European holding company in which Scotcros would have a majority.

"Since 1972 our earnings per share have approximately doubled, and I see no reason why this kind of progress should not continue," Mr. Alexander declared.

GENERAL THE GENERAL ENGINEERING CO. (RADCLIFFE) LTD.

The 39th Annual General Meeting of the Company will be held at Radcliffe, Manchester on 18th August, 1976.

Main points from the Chairman's Review:—

- Results reflect 5 years of reorganization and development
- Exports represented 64% of turnover
- Overseas sales coverage progressively broadened
- Further development being actively pursued
- 1 for 2 scrip issue proposed
- Future is viewed with confidence

Group Results in Brief	1976	1975
Interest	£'000	£'000
Turnover	9,495	8,870
Trading Profit	1,284	581
Interest	247	251
Taxation	477	156
Extraordinary items	118	—
Profit after tax	441	174
Earnings per share	8.6p	2.5p
Dividend per share—net	1.46p	1.20p
Tangible assets per share	31p	25p

Full Report and Accounts available from the Secretary, Burry Road, Radcliffe, Manchester.

Union Corporation Group

U.C. Investments Limited

(Incorporated in the Republic of South Africa)

HALF-YEARLY STATEMENT

The unaudited accounts for the six months ended 30th June, 1976, and the comparative figures for 1975, show:

January to June	January to June	Year
1976	1975	1975
R(000)	R(000)	R(000)
Income from investments	4,581	5,160
Net surplus on realisation of investments	70	240
Recoupment of amounts previously written off mineral rights and prospecting expenditure	—	26
.....	4,651	5,426
.....	—	9,303
From which must be deducted:		
Net sundry expenditure	151	178
Directors' fees	15	30
Provision for writing down investments	—	1,040
Interest paid on unsecured loan	14	51
.....	180	238
Profit before taxation	4,471	5,188
Taxation	—	56
PROFIT AFTER TAXATION	4,471	5,132
Cost of interim dividend	1,950	2,145
Shares in issue (000's)	19,500	19,500
Earnings per share (cents)	22.9	26.3
Dividends declared (cents per share)	10.0	11.0

in profits in accordance with their overall participations in the joint Area. It is envisaged that Trans-Natal Coal Corporation Limited will be appointed technical managers for the joint venture. Formal agreements to give effect to the foregoing are in course of preparation. Maximum economic and technical advantages are expected to flow from the exploitation of the coal rights of the parties on a regional and joint basis.

3. The assets of the Company at 30th June, 1976, were as follows:

	30.6.76	30.6.75	31.12.75
R(000)	R(000)	R(000)	R(000)
Mineral rights and prospecting expenditure	69	—	33,200
Investments at book value	33,258	35,473	—
Net current and other assets</td			

RECENT ISSUES

EQUITIES

Issue No.	Date	1976	Stock	Change Price per share	+ or -	High	Low	Yield	Div.
F.P.	—	101	814 Automated Sec. 10p	91.14	-14	101.65	2.510	5.6	—
F.P.	—	1214	821 Stev. Pacific Ltd. 821	122.57	-13	125.11	9.0	—	—
F.P.	20.6	82	824 Emark SIS 1	122.75	-14	125.92	5.4	—	—
U.S.S.B.	82.06	82	Levin (Wm.) Ltd. 82	22.06	-1	22.12	3.6	—	—
F.P.	9.7	43	821 Water Warrantee 43	43.41	-1	43.48	0.8	—	—
						43.11	1.4	6.4	

FIXED INTEREST STOCKS

Issue No.	Date	1976	Stock	Change Price per share	+ or -	High	Low	Yield	Div.
109	12.6	50	876 Birmingham City on 12p Red. Stock 1982	49.14	-	49.14	—	—	—
URSHU F.P.	—	8924	8924 Bowater Sec. Bonds 1986	89.94	-	89.94	—	—	—
C100	—	104	8934 Debentures 112 Con. Lms. 1983-8	101	-	101	—	—	—
C5100	F.P.	—	8934 81 ALM Notes 1981	82.62	-	82.62	—	—	—
US880	81.0	8934	81 Mid. East Water 1981	10	-	10	—	—	—
US880	5.9	8934	81 Nat. Coal Board 8% Guar. Notes 1981	89.9	-	89.9	—	—	—
US880	1.1	8934	81 Royal Hunt Mort. 9% Red. 1982	99.4	-	99.4	—	—	—
US880	1.1	8934	81 Sandwell (Met.) 12% Red. Stock 1982	100.0	-	100.0	—	—	—
US880	1.1	8934	81 Somerfield & Son 12% Red. Pre 1981	98	-	98	—	—	—

"RIGHTS" OFFERS

Issue No.	Date	1976	Stock	Change Price per share	+ or -	High	Low
115 F.P.	9/7	158	162 1AHA	138	-	138	—
201 N.H.	—	123	22 Alins Ind.	22.99	-1	22.99	—
709 N.H.	—	65	22 Allied Colloids	61.04	-2	61.04	—
65 N.H.	18/6	65	22 B.C. Corp.	34	-	34	—
35 N.H.	21/6	19.7	22 Brach (UK)	14.94	-	14.94	—
52 N.H.	—	13	22 Braly Leslie	4.41	-	4.41	—
58 F.P.	19/7	27.8	44 4012 Charterhouse Firs.	41.41	-	41.41	—
14 F.P.	19/7	17.5	44 4012 Charterhouse Firs.	31.12	-1	31.12	—
20 F.P.	19/7	5.6	186 22 Cominco	183	-4	183	—
140 F.P.	29/7	19.7	186 22 Cominco-Centex Marls	21.24	-1	21.24	—
13 N.H.	—	514	22 Ewer (George)	51.44	-	51.44	—
22 N.H.	21/7	16.6	22 F.A. Fitt (Tynes - En.)	16.64	-	16.64	—
22 N.H.	—	22	22 Fr. (William)	24	-	24	—
221 N.H.	25/7	8.9	22 Gresley Inst.	51.04	-1	51.04	—
178 N.H.	—	31	22 Rowntree Mackintosh	20.00	-1	20.00	—
249 N.H.	—	22	22 Saville City Prop.	21.94	-1	21.94	—
55 N.H.	19/7	27.8	22 Sappi Paper	22.52	-1	22.52	—
20 N.H.	—	8	22 Vernon Fabrics	8.96	-1	8.96	—
54126 F.P.	18/6	102	82 Western Minn.	136	-	136	—
66 F.P.	9/7	20.8	102 82 W.D.L.	94	-	94	—
709 N.H.	—	81	102 82 W.M. W.	94	-	94	—

Remuneration date usually last day for dealing free of stamp duty. A Picus price to public. b Figures based on prospectus estimate. c Dividend rate paid or payable on part capital. d Cover based on dividend on full capital. e Cover unless otherwise indicated. f Forecast dividend. g Cover based on previous year's earnings. h Cover based on previous year's earnings. i Cover based on previous year's earnings. j Cover allows for conversion of shares not now ranking for dividends or rankins only for restricted dividends. k Issued by tender. l Offered to holders of Ordinary shares as a right. m 5.6% S.A.F. cents. n Rights to be issued at 100 pence per share. o Connection with reorganisation, merger or take-over. p Introduction. q Issued to former Preference holders. r Alternative letters for fully-paid. s Provisional or partly-paid allotment letters. t With warrants. u After suspension.

LONDON & OVERSEAS FREIGHTERS LIMITED

THE IMPACT OF NATIONALISATION

In reporting to shareholders on the results to 31st March, 1976, the Directors placed considerable emphasis on the effect and implications of the pending nationalisation of the wholly-owned shipbuilding subsidiary, Austin & Pickersgill Ltd.

The Group profit for the year was £2,050,838 made up as follows:-

A & P (Shipbuilding)	Profit 4,723,875
L.O.F. (Shipowning)	Loss 2,673,037
	£2,050,838

The question is whether or not L.O.F. will ever get the benefit of A & P's profits earned after 24th February, 1974. The Bill now before Parliament provides that compensation will be paid to the owners of shipyards to be taken into public ownership on the basis of the "value" on that date. In a fair world the accumulated profits at that date and those earned subsequently would be reflected in the purchase price—but there is no certainty that this will be the case, and the proposed legislation seeks to limit the amount of profit which may be passed to its parent company in respect of 1973-74 and subsequent years up to Vesting Day to dividends at the rate of 5% annually.

In the course of his statement the Chairman, Mr. Basil Mavroleon, said—

"The prospect of nationalisation of the U.K. shipbuilding industry is still with us. I take this opportunity of reassuring our whole-hearted opposition to the taking over by the Government of our thriving shipbuilding business, for despite the apparent inevitability of a substantial contraction in the industry, I have confidence in A & P's ability to maintain a leading position in the world's markets for many years to come. Quite apart from the prospect of being deprived of our valuable investment for a fraction of its true worth I share the view of Mr. Derek Kimber, Chairman and Chief Executive of A & P, and his colleagues in Sunderland that no good can come from nationalising this dynamic undertaking, either for its owners, its employees, its customers or anyone else concerned with its welfare. In short, British Shipbuilders has nothing to offer A & P, but I concede that this will be the case, and the proposed legislation seeks to limit the amount of profit which may be passed to its parent company in respect of 1973-74 and subsequent years up to Vesting Day to dividends at the rate of 5% annually."

You may rest assured that L.O.F. will take every practical measure to prevent A & P being taken from us. If we should fail in the end to retain this enterprise, we shall press to the utmost our claim for fair compensation, for it is inconceivable to me that taxed profits of £5m. left in the business during the last two years should be confiscated by the State."

8 BALFOUR PLACE, PARK LANE, LONDON, W1Y 6AJ

Copies of the Annual Report for the year to 31st March, 1976, and the full text of the Statement by the Chairman, Mr. Basil Mavroleon, may be obtained from the Secretary.

This announcement appears as a matter of record only.

July 7, 1976

\$15,000,000

Telecomunicações do Rio de Janeiro S.A.

Five Year Loan

Guaranteed by

First Boston (Europe) Limited

Euro-Latinamerican Bank Limited
—EULABANK—

and provided by

Mellon Bank, N.A.

Crocker National Bank

Rainier National Bank

The First Pacific Bank of Chicago

Mercantile Trust Company, N.A.
Grand Cayman Branch

Agent Bank:

Crocker National Bank

July 7, 1976

MINING NEWS

Union Corporation's big investment deal

BY KENNETH MARSTON, MINING EDITOR

IN A REMARKABLY complicated all the latter's debt, he pointed out, design to "simplify out" the investment holding structure of the Union Corporation group. The South African parent intends to acquire all the shares of its Geduld Investments offshoot and many substantial industrial holdings as well but leaves a loose end in the shape of UC Investments.

One Union Corporation share is to be offered for one Geduld Holdings of the latter will be entitled to the company's un-entitled interest now declared of 13 cents (8.4p) and are promised a further special interim of 2.3 cents (1.6p).

Union Corporation itself intends to declare a 1976 interim of 12 cents (7.8p) and a final of not less than 24 cents (15.5p). Geduld holders will rank for the final but not the interim. Last year Union Corporation paid a total of 42 cents (27.2p).

The proposals also involve a R4.2m. (£1.79m.) exchange of investments between Geduld and UCI under which the former will receive industrial holdings and the latter will get mainly mining.

UCI will also exchange its holdings in Geduld for shares in Union Corporation raising its stake in the parent from 133 per cent. to 2.99 per cent.

Other effects of the proposals are that the Sappi paper group will become a subsidiary of Union Corporation. The latter's stake in UCI will rise from 40.86 per cent. to 48.81 per cent. Union Corporation will remain a subsidiary of General Mining.

It is pointed out that had the various transactions been reflected in Union Corporation's results for 1975, earnings would have increased by R11.8m. (£1.78m.) from 83.5m. tons previously making a first half total of 186.000 tons as against 127,500 tons. Capital outlays in the first half were £80.8m. (£34.84m.) compared with £135.9m. a year ago.

Construction of a new fertiliser plant at Carseland, Alberta, and work on the Rubiales zinc-lead mine in Spain is advanced and start-up of both is expected by the year-end. The sinking of the new shaft at the Con Gold mine in the North West Territories should be completed by the end of the year while initial production from the associated Taro Exploration's zinc-lead mine in Ireland is planned for the first quarter of 1977.

The company attributes the falls decline to lower metal and fertilizer product prices and to the strength of the Canadian dollar but adds that its international operations again made major contributions to earnings.

The 69 per cent owned Pine Point lead-zinc mine suffered a loss of production in June owing to a power breakdown while the coal producing Frobisher mine has been shut since early May owing to strike action. The Saskatchewan potash operations continued to lose money, the loss says Cominco, entirely caused by high taxes imposed on the industry.

The potash operations were shut down during July as an inventory control measure and those at Trail and Kimberly in British Columbia will be closed for annual vacation periods during July or August. Recent cuts in mineral resource taxes in the latter province are reflected

mainly two parts Leslie and Godwin, one part Wigham Poland. The latter company has worldwide broking interests and is particularly strong in Australia and France. Leslie and Godwin is also strong in Australia but weak in France, so the enlarged company would be better placed in the EEC insurance field.

A spokesman for Wigham Poland stated that this move did not herald an end to Anglo-Continental's involvement in insurance broking. The group would hold more than 20 per cent. of the equity capital of Leslie and Godwin, although final details have still to be worked out. The intention was for Anglo-Continental to maintain its influence in insurance broking and not sell the holding in Leslie and Godwin.

Both Leslie and Godwin—which has been subject to persistent bid offers from Wigham Poland—regards the merger as a logical and positive extension of their insurance broking activities providing a stronger financial base which is required by an insurance broking group operating worldwide under current conditions.

BIDS AND DEALS

U.K. Optical forecasts increased dividend

U.K. Optical and Industrial's trenchant defence against the takeover bid from Pilkington Brothers took a more tangible form yesterday with the news that the Board is proposing to increase the dividend on ordinary shares of the U.S. group would also be a help in arranging a financing, reports our Montreal correspondent.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Insider' report on Wheelock Marden

HIL BOWRING

FOUR months of investigation by the Commission has been made operative. Originally it was thought best to wait until the U.K. had had experience with such laws, but in the event the proposed U.K. legislation never reached the statute book.

Now, however, the Government here is likely to be under very strong pressure, both from the U.K. and the securities commission, mainly to give legal action to efforts to stamp out this particular stockmarket abuse.

The investigations by the securities commission into Wheelock's affairs were originally undertaken following complaints from the public after Wheelock's

Mr. John profit drop and rights issue announcement. These came as a bolt from the blue. At the same

time it was common knowledge in the market that there had been sustained selling of Wheelock shares, particularly of "A" shares which have the same voting rights as "B" shares though the latter are only one tenth the value of the "A". Wheelock's profit collapse was largely due to the fact that it had made little in the way of capital profits. In past years these had (so it was only very recently learned) been a major part of total profits but had not been separated out in the accounts. It came as a particular surprise to investors that the Board had not been able to warn earlier of the unlikelihood of capital profits in 1974-75 and of the impact of that on declared profits. The whole episode has demonstrated once again that Hong Kong still has some way to go before acceptable standards of conduct are imposed.

Following complaints from

the colony's largest concerns, let alone the smaller fry.

Woolworth going strong

HARD ROLFE

IRE GROUP Woolwich has 62 outlets in Britain, has announced a turnover improving from £16.3m. to £16.5m. for the full year to peak Christmas season, but the growth is impressive nonetheless through textiles, food and domestic articles, looks well placed to ride out what will be a difficult few months ahead. It has no connection with the British or U.S. Woolworths, but close links with Marks and Spencer. Woolworth's profit of 33.1c to 37.7c per share and the dividend has been hiked from 13c to 15c. At 320c the shares yield 4.7 per cent ahead sharply in

At 320c the shares yield 4.7 per cent ahead sharply in

JOHANNESBURG, July 26.

THE second six months to R5.5m. cent and only the supermarket group Pick n Pay has a better R4.4m. In part this reflects the rating. On past form, Woolworth's rise is impressive nonetheless through textiles, food and domestic articles, looks well placed to ride out what will be a difficult few months ahead. It has no connection with the British or U.S. Woolworths, but close links with Marks and Spencer. Woolworth's profit of 33.1c to 37.7c per share and the dividend has been hiked from 13c to 15c. At 320c the shares yield 4.7 per cent ahead sharply in

Leighton Holdings comeback

IES FORTH

STRUCTION group, Holdings, has come out of a near-bankruptcy after a near-bankruptcy with property and mineral extraction. The company announced a trading profit of £1.3m. to June 30. Because losses a tax provision £10,000 was needed, its profit to £1.1m. ed 9.2 cents a share increased during the one-for-two cash issue, roved the company's structure. A final dividends makes a total for the year. Last payment was omitted. It reflected a strong a from construction. The directors said no had secured a share of the limited business available. The value of unbanked in hand at June 30 compared with the year earlier. But the government outbids presented a con-

Australian Paper

BY OUR OWN CORRESPONDENT

SYDNEY, July 26.

AUSTRALIAN PAPER manufacturers, the large packaging paper and forestry group, scored a strong recovery in 1975-76, boosting earnings almost 60 per cent, from \$A10.5m. to \$A16.8m. The result is less impressive when compared with the \$A14.3m. earned in 1973-74. The dividend is held at 10 cents a share, absorbing \$A10.47m. Despite the recovery the company is presented a con-

directors are dissatisfied. They in 1974-75.

Jerian \$U.S.50m. floating note issue

MENT for the issue of National d'Algérie m. of redeemable notes due 1981 has been signed in Algiers.

nom, Algerian Minister, signed the agreement and director BNA, the largest bank in Algeria, public institution of and as such plays a financing the public anies as well as serving the context of a money as an instrument State's economic plan. This new arrangement for providing funds for creditworthy borrowers has been developed by Amedeo and was successfully used for the first time earlier this year for private placement on behalf of an Eastern European borrower. That issue as well as the current one has been oversubscribed.

The deposit notes used in this 50m. dollars issue by BNA represent a new and innovative instrument recently developed by Amedeo.

The deposit notes represent a variation on traditional floating rate notes in that they are redeemable, at the option of the holders, every 6 months. This feature, which renders the instrument very liquid, allows for a much lower rate of interest available on short term money market transactions.

The price at which these notes can be redeemed is fixed. In the case of the BNA notes, they are issued at a discounted price and

Application has been made to increase by stages up to par at the deposit notes on the maturity.

To protect the borrower the first time that the large redemption the managers have so structured the securities with a listing on the Luxembourg stock exchange. For each successive 6 monthly period, show gradual and continuing improvement. Holders are thus encouraged to hold their deposit notes for the full five-year period.

Other factors remaining constant, this should in fact prove to be the case since the yields get successively better than the yield for the first six months' period after the buyers make their initial commitment.

Amedeo is a Middle East-based investment bank which provides a broad range of corporate finance and money market services throughout that region.

* * *

A U.S. \$90m. medium-term loan to Brazil's largest telephone company, Telecommunications de São Paulo ("Telesp"), was signed in London to-day, a spokesman for Chase Manhattan said.

SELECTED EUROSPECIE BOND PRICES**MID-DAY INDICATIONS**

AL HIGHLIGHTS

1976	1975	
£3,535,990	£2,680,562	
fore tax	£104,227	£94,771
per share	2.1p	2.1p
per share	7.1p	4.8p

Group non-UK sales during the year under review more doubled at £740,766 (£340,481). Exports amounted to turnover.

B. Paradise

lers and distributors of fur, fur fabric, sheepskin, suede and clothing.

nts from the Statement of Mr. G. Paradise (Chairman):

rs are currently standing at a higher level than for the same

d of last year.

Group non-UK sales during the year under review more

doubled at £740,766 (£340,481). Exports amounted to turnover.

Source: White Wold Securities, London.

Marathon earnings decline

By Our New York Staff

NEW YORK, July 26.

MARATHON MANUFACTURING, the largest supplier of offshore drilling platforms in the world, and the owner of Britain's Clydeside shipyard, has announced a decline in this quarter's net income to \$4.6m. from \$7.8m. Sales have gone up to \$74.2m. from \$71.8m. for the comparable period of last year.

For the first six months of the year the company reports net income of \$7.1m. or \$1.90 a share, from revenues of \$146.8m.

Last January it was an-

nounced that due to the dra-

matic reduction number of new

orders, the Clydeside yard

might have to be closed down,

along with another of the

company's yards at Brownsville, Texas. As of the end of March, the company had only

a total of \$7.6m. in new orders, compared to January's \$12m.

Texaco improves

TEXACO second quarter earnings were 75 cents (61 cents) a share. Net income was \$20.2m. (\$16.2m.).

First half figures were:

\$1.57 (\$1.32) \$424.9m.

\$158.2m.; \$12.97m.

(\$1.15m.) respectively.

The half-year net includes

foreign currency translation

gains of \$8m. (\$1.8m.).

Reuter reports from New York

Caltex talks

THE INDIAN Government expects to conclude its talks with the U.S.-owned Caltex Oil Co. on the takeover of that company's assets in India by the end of this month, Samachar, the Indian news agency, reported.

Singer progress

NET INCOME of the Singer company for the second quarter of 1976 was \$15.4m. compared with restated earnings from continuing operations in the second quarter of 1975 of \$11.1m.

Primary earnings per share from continuing operations for the second quarter were 81 cents as compared with restated earnings per share of 57 cents for the second quarter of 1975.

CSales from continuing ET

Sales from continuing opera-

tions for 1976 were \$524.7m., com-

pared with \$503.7m. a year ago.

Pan Am loss

PAN AMERICAN reports a second quarter operating loss of 14 cents (profit 10 cents) per share. First half loss was 78 cents (loss \$1.38) per share, Reuter reports from New York.

United International profits improve

United International Bank, one of the London-based conserva-tion group, has announced pre-tax profits of £705,097 for the first half of this year. The comparable figure last year was £613,165. The equity capital of the bank remains unchanged at £6m. and subordinated loans due 1982 at £2m., writes Mary Campbell.

Overall balance sheet assets rose from £174.5m. to £192.4m. in the year to June 1976. Medium term lending rose from £27.3m. to £35m.

Expansion at Owens-Illinois

PLANS FOR a major expansion of the Tomahawk, Wisconsin, paper mill of Owens-Illinois, Inc. have been approved by the company's board of directors.

Edward D. Dodd, chairman and chief executive officer of Owens-Illinois, said the multi-million dollar expansion includes the installation of a 254-inch trim width paper machine, additional pulping capacity, and supporting equipment.

He said the Tomahawk expansion will increase the production of corrugating medium, used in the manufac-ture of corrugated shipping containers, from the present rate of 510 tons a day to a rate of 1,000 tons a day when full capacity is reached in 1981.

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FINANCIAL TIMES REPORT

Tuesday July 27 1976

EDINBURGH OFFICE DEVELOPMENT

The opening of a major new office complex in Edinburgh is particularly welcome at a time when the market has been severely depressed. The development by Scottish Widows' could mark the beginning of an upsurge in demand for office space in the city.

THE DISTINGUISHED dark carefully detailed. They are all glazed headquarters buildings overlooked from the nearby for the Scottish Widows Fund Park and the lower roofs also by Life Assurance Society, employees in the upper storeys Edinburgh, is fortunate in its buildings; care was taken magnificent six acre sloping therefore to avoid any outside island site, overlooked by features such as lift motor Arthur's seat and Salisbury rooms so as to achieve a very Craggs. It lies opposite, and in presentable roofscape.

contrast to, the white concrete facings of the Royal Common-concrete, exposed over the entrances. Variations of level in the site gave opportunities for each building is highly interesting landscaping which is successful in its own particular way, both inside and out. Particularly happy is the insertion building under review has many of two level car park at the features of great quality. It is lower end of the site which is planned as a series of interlocking hexagons each some 30 metres across, and accommodating a staff of 1,700 in all, the water to support the structure. This resulted in an unusually large amount of space above. Boundary walls are formed exterior, the hexagonal of river York stone and smooth shapes being of varying height, paving is of the same.

up to 50 feet, with the walls coming in to the main entrance, clothed in brown glass. The entrance hall, the most striking hexagons are roofed with zinc feature is the coffered ceiling of at a very low pitch, ribbed structural concrete of very fine across from angle to angle and texture and finish giving an almost metallic appearance to was achieved a ceiling pattern placed inside the cavity with and humidity and the volume magnetic tapes from fire and the difficult but essential to play to the shape of the slats fixed horizontally to air is varied by thermostatic control, by means of fire material. Each lift and stair space. Floors are covered in York stone walls and smooth carpet tiles and all furniture paving, the stairs each being and paneling around the cores perature variations work thus: conjunction with the window automatic fire extinguishers and from the roof by steel containing stairs, lifts and conveniences is of light oak.

Variations

Main office floors are arranged on the open plan system, the clear space only interrupted by the structural columns which rise through the enclosing walls to ceiling glazing floor and ceiling, varying in size on a developed system diameter according to their control variations of temperature function. Artificial lighting is ture on the perimeter areas by in long narrow parallel ceiling mechanical ventilation between strips which, extending for an the sheets of double glazing, unbroken length of 30 metres. Each section of the window wall somewhat monotonously thus comprises an outer sheet emphasise the size of these of brown solar glass and an great hexagonal spaces, whereas inner sheet of clear toughened glass it would perhaps have been arranged to open for system. Supply air is subjected more amenable to have in some cleaning. Venetian blinds are to conditions of temperature may be.

Air-conditioning has reached a high degree of quality. In this building the main areas are served by a variable air volume system. Supply air is subjected to conditions of temperature

troffers into the ceiling void only then just come and back to the central air-handling plant." Individual work-stations are provided with floor outlet boxes connected with telephone, power and visual display units. Each office is linked to a central basement store by a document conveyor system. The fire alarm system is connected to the local fire station. A computer suite occupies one complete hexagon incorporating strict precautions to safeguard equipment and

to afford it just. It is the internal fit of this building in class of thorough and sometimes designed areas; parl. multi-level canteen spatial feeling com those odd corners which give it the atm exhausted from the occupied Development Department early a first-class restaura spaces through these lighting in 1972. Brown solar glass was it is good to feed an

Material

The use of this should not, as it were, be allowed to do whole area of a tow the variations in m openess of the s said to afford it just. It is the internal fit of this building in class of thorough and sometimes designed areas; parl. multi-level canteen spatial feeling com those odd corners which give it the atm exhausted from the occupied Development Department early a first-class restaura spaces through these lighting in 1972. Brown solar glass was it is good to feed an

Striking contrasts

By HAROLD BROCKMAN, Architecture Correspondent



The staff canteen in Scottish Widows' new offices

Did they have algebra when you were at school, dad?



You're sitting in front of the television, your brain curled up and dozing when this voice says: 'How's your algebra, dad?' And you adjust the set and stall a bit, searching for a reply that won't compromise you. Then he hits you where it hurts most-right in your date of birth. 'Didn't they have it when you were at school, dad?' And while you're still on the canvas from this one he switches to history and asks you what you remember about Lloyd George.

And they're the easy questions. Wait till he's asking you 'Can I go to university?' or 'Can you help me start my own business?' Fortunately, life assurance can help with questions like these. Take a Scottish Widows With Profits Endowment Policy for example. It can provide a handsome nest-egg to help solve most of the major financial problems you and your family expect to meet. And when he asks

you about compound interest you can dazzle him.

At Scottish Widows that's what we believe life assurance is all about: helping you live your life to the full. Ask your broker about our approach. About our policies. About our record.



SCOTTISH WIDOWS
A better life assurance.

Market starts to pick up

THE RECESSION has brought a situation to Edinburgh that many estate agents would have believed unthinkable three or four years ago. In a city where the main commercial area has hardly changed in size or shape since it was laid out in the 18th century, there is a surplus of supply over demand in office space.

In George Street and the roads and square close by, conceived by the planners of the Georgian new town as the commercial heart of the city, estate agents' boards advertising offices to let have become semi-permanent features. The same situation extends to peripheral areas of the city, although not quite so obviously.

The second factor is the Scottish Assembly, due to be set up under the Devolution Bill, which will be debated in Parliament in the autumn. Despite the Government's announcement that it firmly intends to severely restrict the number of additional civil servants needed to serve the Assembly, many estate agents are confident that it will bring in its wake an explosion of demand for offices similar to that which followed the reorganisation of local government last year.

Popular

In the short run there will be a reasonable supply of smaller office units, up to 3,000 square feet, in the city centre. Yet there are signs that demand could pick up soon and when it does this surplus will not be sufficient to meet it. Estate agents are again getting inquiries from firms wanting to expand, particularly from companies from the South of England looking for offices in Edinburgh for the first time.

Space in the city is likely for a number of reasons to be more restricted than in Glasgow, where conservation is not such an important issue and the much larger business area gives more flexibility. Two factors suggest that demand will rise substantially in Edinburgh. The first is the exploitation of North Sea oil and gas. While oil companies and diving and drilling firms have opted to establish their Scottish offices in Aberdeen, and Glasgow has attracted Government agencies such as the Offshore Supplies Office of the Department of Energy and the British National Oil Corporation, Edinburgh remains the financial centre of Scotland. The last few years have seen the arrival of a number of banks and other financial institutions not previously represented in Scotland and anxious to share in oil development. The trend seems likely to continue.

Impression

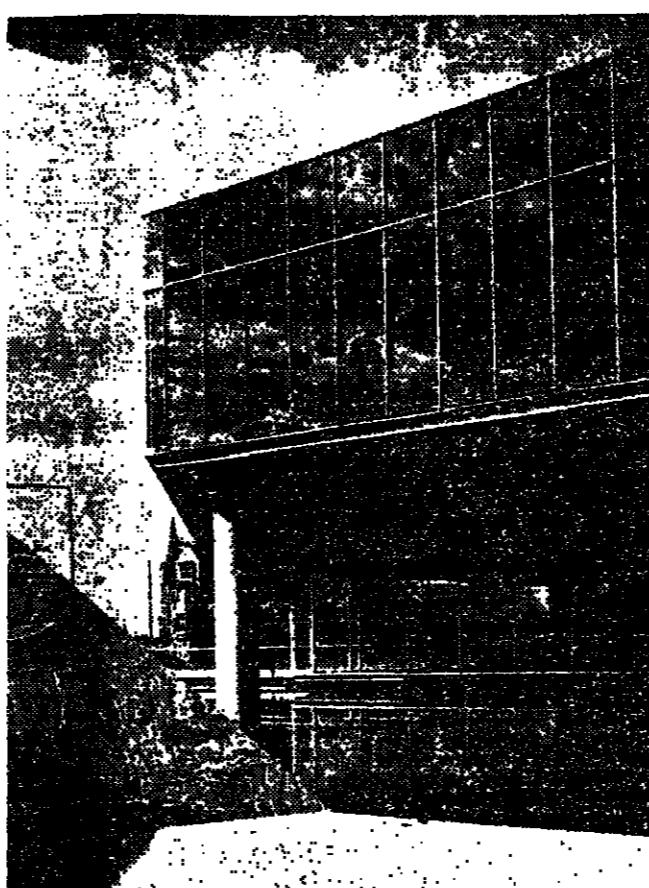
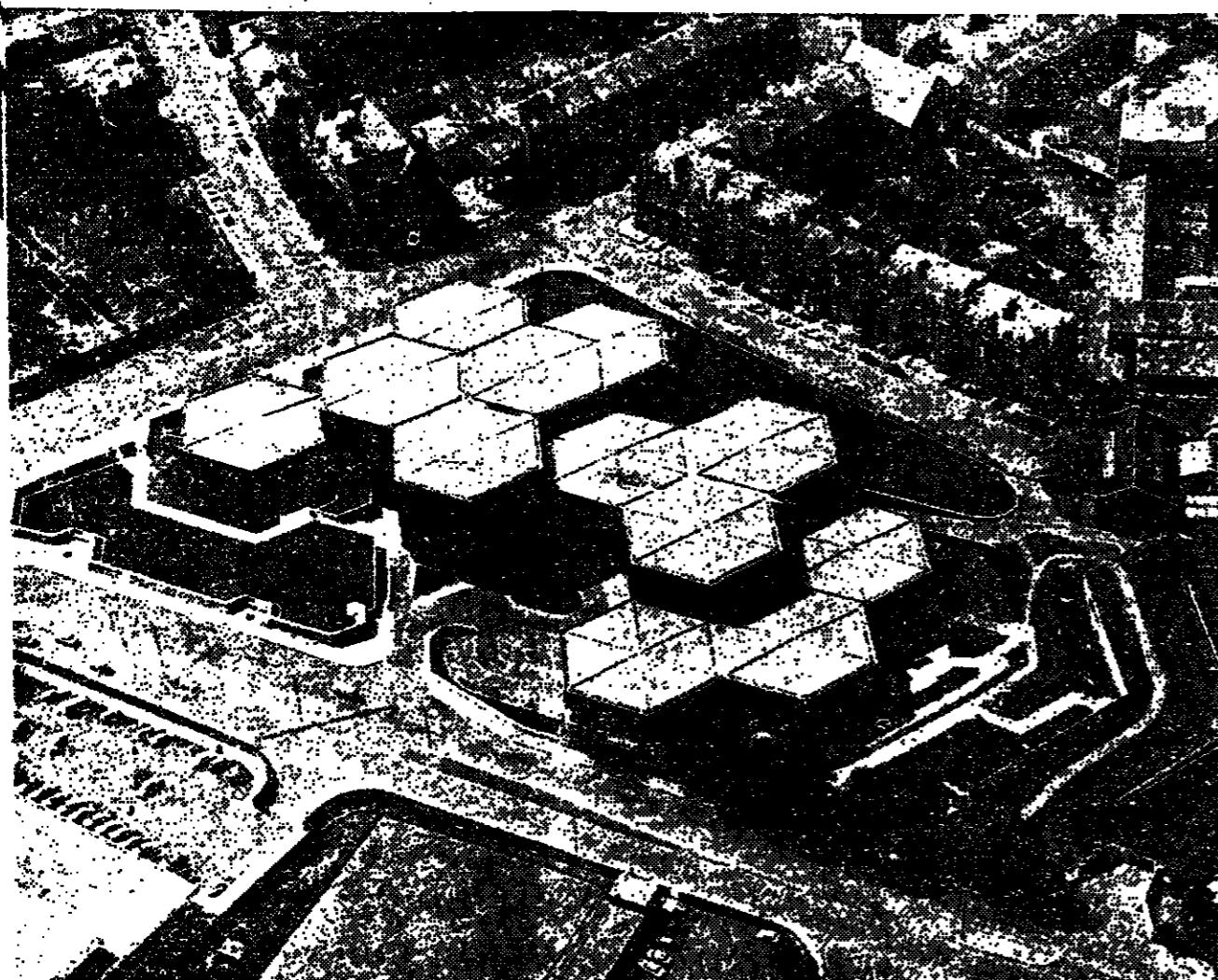
Outside the centre, the city encourages new development, but the lack of planning consistency gives a false impression of the possibility of expansion. Nearly 100% of consents are for Gyle Industrial Estate, the western part of the city which is convenient for the road links to Glasgow Central Station, from shops and the community and has proved unattractive.

Standard Life has a new block there, since withdrawn, acres of the site zoned for office development. Of the remaining about 500,000 square feet in Leith, the once port area of Edinburgh has sadly been alienated.

It is also an attractive area to building of new blocks behind maintained facades has continued. Completed blocks have always been a popular investment in Edinburgh, providing secure, if not very spectacular, yield. The difference is that whereas blocks would be fully tenanted before work was completed up to a few years ago,

Ray Scottish Cor

EDINBURGH OFFICE DEVELOPMENT II



Aerial view of the Scottish Widows' new building with its interlocked hexagonal sections (left). A detail shows the boundary walls in York stone and the glazing design (above).

Scottish Widows' follows tradition of independence

LY contact I had with By the start of the 20th century, Scotland had a well-established insurance business in Scotland. It was when, having life assurance industry, which comparative figures because of its mainly "mutual" policy, I received an character. (all the profits belonging to the participating policyholders) remained well-battressed against takeovers—“Who worked out futures—the office boy?” I protested that the ins had been done by a d. The result is that whereas only one composite office is still under Scottish control; there are nine independent life offices in Scotland, eight of which are mutuals. So there is plenty of scope for the exercise of independent attitudes, illustrated in recent years in the debates on rescuing failed life companies and the Equity Bank. The underlying attitude of the Scots tends to be that rescuing or propping up lame ducks encourages the growth of more lame ducks, so their enthusiasm for such schemes is usually muted.

As for Scottish Widows' itself, the idea for the company was evolved between 1811 and 1812. The company's historical booklet paints a dramatic picture of those early days. Snow-laden gales from the North-East swept the Lothians for days on end. Drifts nearly 20 feet deep piled up in the valleys around Arthur's Seat. Mail coaches were halted and the City was almost cut off from the world around. With Napoleon attacking Russia, formed in other towns for good measure, it scarcely seemed a propitious time to set up a fund for the centre of the life “securing provision to widows, business, with the sisters and other females,” to be called the Scottish Widows Fund.

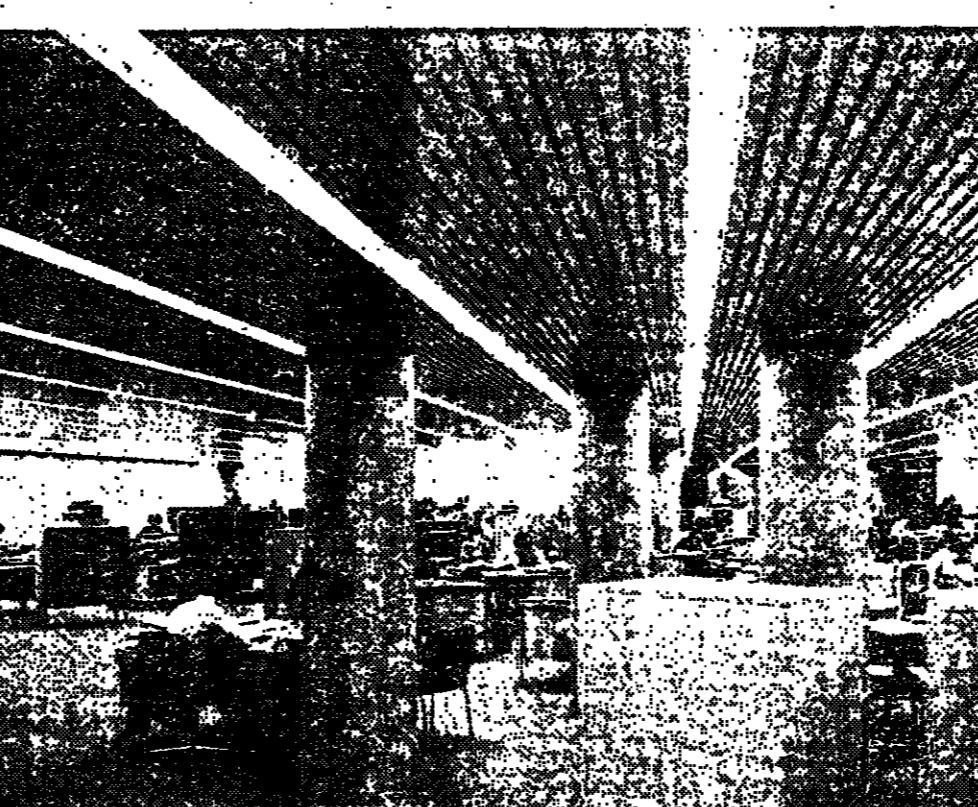
Coming up to the present day, Scottish Widows' current business is carried on throughout the U.K. with only 19 branches, the worst of life assurance companies. It is also interesting to look at unit-linked results which directly reflect underlying performance and iron out the differences in expense ratios of Scottish influence the two most recently opened and so on. Here too Scottish Widows' seems to have done

Brighton in 1972. The comparatively small number of branches contributes towards keeping the Society's expense ratio at a low level and the overall introduction of new business is broker-oriented.

In the past at least this led to a concentration of professional men being the main policyholders. Contracts emphasise the longer term aspects of life assurance and in addition to ordinary business, annuities and pensions, the Society also transacts group permanent health and capital redemption assurance business. Pensions management is a subsidiary and provides management services for pension funds.

The Scots have always enjoyed a reputation for being sound money managers and indeed the maturity values under endowment assurances provide support for this. The nine surveys carried out by the Economist between 1950 and 1975 shows that Standard Life and Scottish Widows' were among the top four in respect of with-profit maturity values after 25 years in all cases. Only two offices have always appeared in the top ten and these are the Scottish Widows' and Standard Life.

However, one of the constant sources of amazement to the layman is that there can be such wide disparities in maturity values between the best and the worst of life assurance companies. It is also interesting to look at unit-linked results which directly reflect underlying performance and iron out the differences in expense ratios of Scottish influence the two most recently opened and so on. Here too Scottish Widows' seems to have done

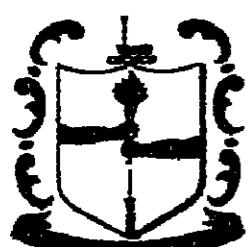


Office interior at Scottish Widows' new building.

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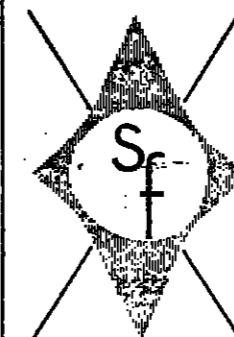
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Christopher Hill

ARMING AND RAW MATERIALS

dia will
port
ore cotton

NEW DELHI, July 26.

DIAN Government has to continue with raw imports and liberalise the of artificial fibres to rising cotton prices, aid.

said the state-owned corporation of India has placed orders abroad for a lot of raw cotton and has been authorised to imports. While officials that imports will total 150,000 bales, informed aid the total could be as 200,000.

cotton prices have almost in India in the past few mid industry fears that for the year ending th will total only about against the original of 7.5m.

officials and jute industries have denied Press reports there plans to import raw Bangladesh or Thailand

r. they said they Bangladesh to supply of raw jute during to complete contract 5 year for the supply Reuter

More cash for farmers who take on apprentices

BY PETER BULLEN

A BIG drive to encourage the employment of more young apprentices in agriculture by giving farmers extra cash grants was announced yesterday.

The Agricultural Training Board said it is increasing the three-year grants it makes and in addition will be providing special one-year cash grants from money supplied by the Government's Training Services Agency.

The TSA, which is providing the ATB with between £300,000 and £500,000, has agreed a scheme under which employers will receive £700 for every additional apprentice taken on.

For farmers or growers qualifying for the TSA grant on top of the Board's usual payments about half the cost of employing an apprentice in his first year will be paid for, the ATB estimated.

With the high level of unemployment in the country, particularly among school leavers, the agricultural industry has had an almost encouraging influx of would-be apprentices in the past year or two. Only about half those applying for apprenticeships are at present being placed on farms or nurseries, however.

Employers who receive the TSA grants also qualify for the ATB's own three-year grants which are being raised from a flat £130 a year (totalling £390) to grants of £150, £170 and £190 (totalling £610). Grants for

forming training groups with fully qualified training officers will be raised by £125 to £14.50 a day and for those with a less qualified organiser by £1 to £10.50 a day. Rates for reimbursing expenses are also being increased to take account of inflation.

All the new payments come into force from Sunday (August 1) providing the EEC raises no objections, and none is expected.

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Workers representatives have also been keen on seeing adequate facilities for training provided while stressing the importance of the industry offering the right conditions and incentives to keep skilled youngsters in agriculture and horticulture and prevent them quitting soon after training for better paid jobs in other industries.

Upturn in cocoa market

By Richard Mooney

COCOA PRICES regained some of last week's lost ground yesterday with the September position on the London terminal market ending £20.5 higher than £149 a tonne.

Values opened £1.20 higher following the firm pre-weekend tone in New York and moved further ahead during the morning. But when the market failed to reach the £20 permissible limit up level prices eased back a little. In the afternoon they were pushed downwards again in response to early selling in New York before picking up near the close—particularly in the new crop month (December).

With the growing mechanisation and intensification of British agriculture the demand for a well-trained and highly skilled work force is increasing even though, until recent years, the total labour force has been declining rapidly.

Farmer members of the ATB have been fully aware of the need for the industry to provide adequate opportunities for new entrants.

Workers representatives have also been keen on seeing adequate facilities for training provided while stressing the importance of the industry offering the right conditions and incentives to keep skilled youngsters in agriculture and horticulture and prevent them quitting soon after training for better paid jobs in other industries.

CASTOR OIL MARKET

Brazilian prospects brighter

BY SUE BRANFORD, RECENTLY IN SALVADOR

OVERPRODUCTION, combined with inadequate storage facilities, and the subsequent low prices on the world market have been the main problems besetting Brazil's castor-oil industry over the last few years.

These difficulties have cancelled out the natural benefits that should stem from being the main producer, responsible for about three-quarters of world exports, of an oil that, according to trade sources here, has no substitute as a lubricant in some types of spacecraft. This is because the oil has wide range of viscosity tolerance, or more simply, will hold its value for the previous year. The prices paid to farmers fell from \$200-180 to \$130 per tonne.

Normally the South of Brazil produces about 180,000 tonnes, while Bahia and other North Eastern states contribute 210,000 tonnes. This year, trade sources in Bahia are predicting a crop of only 60-65,000 tonnes in the South and 55-58,000 tonnes in the North East. In all, latest estimates suggest a total production of only 120-150,000 tonnes.

World oil prices are steadily improving. From about \$500 a tonne on the Rotterdam market at the end of November last year, they have now risen to \$75 a tonne. By the end of May, Brazil had already sold 110,000 tonnes, which is more than total exports for the whole of last year.

One new difficulty that has arisen this year has been the annual re-exporting duty that the U.S. has imposed, over and above the normal import duties. However, contrary to the first reports this duty is only being levied on the more refined hydrogenated castor oil, which accounts for just 10,000 out of the 45,000-50,000 tonnes of castor oil that Brazil sends to the U.S. each year. Moreover, traders here are optimistic that negotiations may lead to the removal of this duty.

This year prospects are much brighter for the crushers. At the end of last year, the farmers and the Government were carrying heavy stocks of beans of around their total storage capacity of 250,000 tonnes.

They are gradually getting rid of these stocks, which are being sent to the crushers mixed with the small intermediate crop which is reaped in March and April; and by 29 per cent. of the main harvest. Because the stored beans are old, they have a higher level of acidity than usual, which means that the oil would have survived: Sanbra and Duffus recently forecast an 11,000-tonne surplus for 1975-76.

Coffee prices maintained last week's "bullish" tone with the September futures position putting on another £44.5 to close at £1.310 a tonne.

There was no fundamental reason for the rise which dealers saw as a continuation of the reaction to the recent dramatic fall.

• The Ghana Cocoa Marketing Board said purchases of 17,850 mid-crop cacao for the week ended July 22 (the seventh of the season) are estimate at 759 tons, reports Reuter from Accra. This brings the cumulative total to 5,446 tons, compared with 3,585 tons after seven weeks last year.

The harvesting of winter barley over much of the country has been completed—yields would seem to be about average.

The harvesting of spring barley is in progress—yields are variable and overall could be below average," it stated. "The harvesting of winter wheat has started and yields are variable. Most of the straw from crops harvested has been baled."

Grass generally continues scarce but the rain has helped future prospects. Milk yields have dropped and supplementary feeding is widespread including the use of fodder that had been conserved for winter feeding.

Sugar beet prospects had improved since the rain, particularly in eastern countries. If good growing conditions continue yields may approach average, the Ministry added.

Hemp seed oil had arrived too late for the maximum benefit to potato crops and prospects for the maincrop were "not encouraging."

He said the corporation could be operating flexible reserves at the new floor price levels for some categories of wool on Friday's advance.

The purpose of flexible reserves is solely to protect the growers of sale lots which might otherwise be neglected on the start of the season.

Its policy will be that when adjusted frequently in accord-

ance with market movements.

Mr. Maiden said that only in exceptional circumstances would the corporation depart from this policy. Such circumstances could arise when unusual conditions in the industry seemed likely to cause a sudden short-term disruption to demand and saleroom trading.

Under these conditions the corporation would announce that it would hold its reserve prices and buy-in wool while the conditions persisted.

Reuter

Ukraine winter wheat crop cut

MOSCOW, July 26.

FARMS IN some areas of the hampered, by rainy weather, two-thirds of their winter wheat crop because of unfavourable weather, Pravda reported, says Reuter.

The Soviet Communist Party recently quoted an official in the Voldodarskoye region of the Donetsk as saying local farmers had sown over 16,000 hectares with winter wheat, but were harvesting it from less than 5,000 hectares.

Describing the region as "no exception," Pravda said the winter wheat crop throughout the Donetsk suffered as a result of a dry autumn and then a harsh winter.

Farms have re-sown land originally used for winter wheat with barley and maize, but far from this will succeed in covering their losses, it said.

The Donetsk accounts for over 2m. tonnes of grain annually, most of some 10,000 tonnes produced by South-East Ukrainian farming areas as a whole.

In another report, the newspaper Sovetskaya Rossiya, said the first million tonnes of grain have already been gathered in the Rostov area, which borders on the Donets. But work was

about a quarter of the entire Soviet winter grain crop had been lost because of unfavourable weather, compared with an average loss of some 16 per cent.

The latest U.S. Department of Agriculture estimate is that winter wheat production will be around 33m. tonnes, out of a

total Soviet harvest estimated at 185m. tonnes.

Our Commodity Staff writes:

In Britain the Ministry of Agriculture said the rain last week arrived too late to benefit cereal crops.

"The harvesting of winter barley over much of the country has been completed—yields would seem to be about average.

The harvesting of spring barley is in progress—yields are variable and overall could be below average," it stated. "The harvesting of winter wheat has started and yields are variable. Most of the straw from crops harvested has been baled."

Grass generally continues scarce but the rain has helped future prospects. Milk yields have dropped and supplementary feeding is widespread including the use of fodder that had been conserved for winter feeding.

Sugar beet prospects had improved since the rain, particularly in eastern countries. If good growing conditions continue yields may approach average, the Ministry added.

Hemp seed oil had arrived

too late for the maximum benefit to potato crops and prospects for the maincrop were "not encouraging."

CHANGES IN the levels of stocks held in London Metal Exchange (LME) warehouses last week were pretty much as expected. Stocks of copper rose 2,975 to 545,100 tonnes, lead 1,200 to 32,850 tonnes and zinc 500 to 84,575 tonnes. Tin stocks fell 225 to 8,545 tonnes.

Trading on the LME was quiet yesterday. Cash standard tin declined £37 to £24.85 a tonne but cash copper warehouse were unchanged at £104.70 a tonne.

The daily metal to rise in price which gained £1.25 to £22.93 a tonne. Cash zinc fell £4.5 to £43.45 a tonne, wiping out Friday's advance.

The purpose of flexible reserves is solely to protect the growers of sale lots which might otherwise be neglected on the start of the season.

Its policy will be that when adjusted frequently in accord-

ance with market movements.

Mr. Maiden said that only in exceptional circumstances would the corporation depart from this policy. Such circumstances could arise when unusual conditions in the industry seemed likely to cause a sudden short-term disruption to demand and saleroom trading.

Under these conditions the corporation would announce that it would hold its reserve prices and buy-in wool while the conditions persisted.

Reuter

THE AUSTRALIAN Wool Corporation's (AWC) flexible reserve price policies to apply from the opening of the new wool selling season in the third week of August have been announced by Mr. Alf Maiden, the AWC chairman.

He said the corporation could be operating flexible reserves at the new floor price levels for some categories of wool on the start of the season.

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CANADIANS																
1978																
High Low																
Stock																
Price + or - Div % Net Yield																
**BRITISH FUNDS																
High Low																
Stock Five Years																
Victory 4pc 7.5%																
958 98	100.50	98.00	104.00	96.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
101.5 103	Treasury 10pc 1973	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
103.5 105	Treasury 6pc 1974	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
107.5 109	Treasury 6pc 1975	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
109.5 111	Treasury 5pc 1976	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
111.5 113	Treasury 5pc 1977	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
113.5 115	Treasury 5pc 1978	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
115.5 117	Treasury 5pc 1979	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
117.5 119	Treasury 5pc 1980	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
119.5 121	Treasury 5pc 1981	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
121.5 123	Treasury 5pc 1982	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
123.5 125	Treasury 5pc 1983	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
125.5 127	Treasury 5pc 1984	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
127.5 129	Treasury 5pc 1985	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
129.5 131	Treasury 5pc 1986	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
131.5 133	Treasury 5pc 1987	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
133.5 135	Treasury 5pc 1988	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
135.5 137	Treasury 5pc 1989	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
137.5 139	Treasury 5pc 1990	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
139.5 141	Treasury 5pc 1991	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
Over Fifteen Years																
94.5 96	Treasury 5pc 1982-83	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
96.5 98	Treasury 5pc 1983-84	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
98.5 100	Treasury 5pc 1984-85	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
100.5 102	Treasury 5pc 1985-86	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
102.5 104	Treasury 5pc 1986-87	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
104.5 106	Treasury 5pc 1987-88	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
106.5 108	Treasury 5pc 1988-89	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
108.5 110	Treasury 5pc 1989-90	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
110.5 112	Treasury 5pc 1990-91	97.50	95.00	101.50	95.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
Five To Fifteen Years																
101.5 103	Treasury 10pc 1972	101.50	100.00	112.50	100.00	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
103.5 105	Treasury 10pc 1973	101.50	100.00	112.50	100.00	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
105.5 107	Treasury 10pc 1974	101.50	100.00	112.50	100.00	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
107.5 109	Treasury 10pc 1975	101.50	100.00	112.50	100.00	12.50	12.50</									

INDUSTRIALS—Continued

Stock	Price	No.	Net	Cwrs	T.M.	Y.P.R.	High	Low	Stock	Price	No.	Net	Cwrs	T.M.	Y.P.R.	High	Low	Stock	Price	No.	Net	Cwrs	T.M.	Y.P.R.	High	Low	Stock	Price	No.	Net	Cwrs	T.M.	Y.P.R.	High	Low
Hutch Int'l S.H.S.	497	1	-	60.16	2.9	85	55	55	Hovington (C.T.)	74	-1	-	12.64	2.5	5.512.23	72	58	Brown Leeks	715	-1	2.1	2.1	4.616.14	203	162	1.1	1.1	Standard Trst	1625	-1	4.2	1.1	4.209.9	92	92
Nytron (U.S.)	172	-	-	51.30	4.7	95	57	57	Bryant & May	376	-1	1.4	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
U.C. Industries	125	-	-	40.05	1.9	85	156	156	Bryant & May	150	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
Canterbury Lamb	10	-	-	1.35	1.1	105	124	124	Bryant & May	205	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
Capitol Inds.	19	-	-	1.57	1.2	75	125	125	Bryant & May	250	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
Electro Services	51	-1	-	3.68	1.1	110	144	144	Bryant & May	270	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
Electro Inds.	20	-1	-	0.8	0.7	15.7	45	45	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
Electro Inds.	21	-1	-	0.8	0.7	15.7	45	45	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	24	-1	-	1.25	1.1	10.9	128	128	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	25	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	26	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	27	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	28	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	29	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	30	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	31	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	32	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	33	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	34	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	35	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	36	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	37	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	38	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	39	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	40	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	41	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	42	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	43	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	44	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	45	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	46	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14	14	Brown Paper Co.	108	-1	4.25	1.1	4.209.9	105	105									
James (M) Imp.	47	-1	-	2.57	2.3	12.5	73	73	Bryant & May	312	-1	1.5	7.47	1.1	2.7	8.8	14																		

Iran to trade oil for U.S. armaments

BY ROBERT GRAHAM

AGREEMENT IS now expected that Iran might be price cutting by over 40 per cent to \$338m. between Iran and two U.S. oil companies involving the purchase of an estimated \$13bn. worth of military equipment by Iran in return for the supply of substantial supplies of crude oil.

Negotiations are believed to have reached an advanced stage in a complex deal between the National Iranian Oil Company and Ashland Oil of the U.S. and the smaller east coast New England Petroleum Company (NEPCO).

They have been under way for at least five months, though this has been consistently denied by both parties.

Dr. Henry Kissinger, U.S. Secretary of State, is due here on August 3 for two days of talks, and this highly complex—and in many ways controversial deal—is expected to be discussed then.

It is even thought that it could be finalised since the Iranians are anxious to conclude everything before the U.S. Presidential elections.

The basis for the deal is not a simple barter of oil against U.S. weaponry. It is a much more intricate arrangement that takes account of any potential objections by the Organisation of Petroleum Exporting Countries (OPEC) on the grounds

Proposals are being considered on the understanding that the Iranian Oil Company should sell crude at market prices to Ashland in return for the supply of substantial supplies of crude oil.

The money would then be placed in a trust account—managed by General Dynamics but under Iranian control—for Iran to draw on to purchase the General Dynamics F16 fighter aircraft and Spruance class destroyers from Litton Industries.

In Washington, it has been said that the agreement also envisages the purchase by Iran of shares up to a maximum of 25 per cent in the two oil index.

But until now there has been scepticism both in the oil industry and among the weapons manufacturers that such a deal could be worked out. Strict oil barter deals have never been very successful, as Iran found to its cost several years ago.

This has had a dramatic effect on the East Coast's independent operators, who, in particular, have had to search for new supplies of crude.

Ashland has been searching for supplies of about 300,000 barrels a day and NEPCO about 100,000 b/d on a long-term arrangement.

According to a Washington Star report, Ashland will purchase 100,000 b/d and NEPCO 200,000 b/d. But sources say the total supply could be as much as 400,000 b/d over a ten-year period.

Iran has expressed an interest in purchasing up to 300 F16 jet fighters from General Dynamics.

Minister in charge of arms procurement is reported to be keen on the deal which also has the Shah's blessing.

Only three months ago, Iran was forced to cut back its orders for six Spruance class destroyers

to four after the price was raised year period.

Doctors meet Callaghan, but dispute is unresolved

BY DONALD MACLEAN

AN EXTENDED meeting protesting over what they feel is a broken overtime agreement, tomorrow may be expected to end with doctors leaving the medical regions.

It was attended on the Government side by Mr. Callaghan and Dr. David Ennals, Secretary for Social Services, and Mr. Albert Booth, Secretary for Employment.

Mr. Callaghan, said Dr. Cameron, had been very sympathetic in listening to the junior doctors—who have threatened to leave, "so that the public would not be inconvenienced."

The doctors expect to be in touch again with the Government on the points at issue, which imposed by junior doctors if mainly concern pay and the health service in a few days.

The meeting, lasting 13 hours, was held as the junior doctors, Dr. Cameron said. A Doctors' Statement, Page 7

Amin tells Uganda 'explosions are anti-tank weapon trials'

BY QUENTIN PEEL

AMID UNCONFIRMED reports in Nairobi of an attempted attack on President Amin's headquarters, Uganda Radio to-night urged the population not to worry about explosions heard at the President's command post.

The broadcast coincided with suggestions that President Amin had attempted to flee the country after being given an ultimatum to leave by his Defense Council.

Uganda Radio quoted a military spokesman as saying that explosions heard at the command post on Saturday night were caused by President Amin and his family trying out the latest Soviet anti-tank and anti-aircraft weapons.

The same broadcast announced that 29 police officers had been retired "in the public interest" because they were not performing their duties effectively.

Reports in Nairobi to-day by travellers from Kampala referred to three further explosions occurring in Kampala last night, as well as some shooting. But the atmosphere here now is so tense, that it is very difficult to know how much credence to give the stories.

Both Nairobi newspapers to-day carried detailed stories of unrest in Uganda, without identifying sources.

The East Africa Standard said President Amin had escaped old by international standards.

Vickers directors had secret discussions about Kearney

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

TWO DIRECTORS of the tool operations as well as its than those proposed under the Vickers engineering group made a hurried secret visit to the KTM plant at tracts which KTM could reasonably expect might quickly push its profits up to £25m. a year.

But after the flying visit by the two Vickers' directors—Mr. KTM's £7m. of tax losses could be carried forward and represented as an "asset" worth £700,000.

Mr. Dillon said Norton provided money in a previous financial rescue operation for KTM. "That money was lost. We do not think that the lost capital should be recouped—or Norton provided with equity—if new money enables the company to prosper."

Mr. Foreman said in evidence that Vickers attempted to "subtage or torpedo" a possible bid by Renault for KTM was "irresponsible," said Mr. Brian Dillon, QC, counsel for Vickers.

The court was considering a scheme which would provide new capital for KTM and transfer ownership from the U.K. Government to Vickers.

The scheme is opposed by W. E. Norton, the machine tool merchanting company. The court heard an affidavit from Mr. Walter Norton, its chairman, in which he said that apart from Renault the large Swiss group Oerlikon-Bühler had shown serious interest in KTM.

Three senior executives from Renault—which has big machine better terms for the KTM shares

NAIROBI, July 26.

Although East African Airlines said tonight that a flight via Entebbe tomorrow was still scheduled to land there, several flights have overtaken Uganda recently because passengers are leaving or leaving at the airport. Internal East African flights have apparently been landing at Entebbe carrying enough fuel to return.

The Daily Nation, which has reported mutinies by three battalions in recent days, said the Uganda Army was becoming increasingly demoralised because of food shortages.

Kenya had no quarrel with the Ugandan people, and had supplied Uganda with goods even though that country could not pay for them. But the cost of unrefined and refined oil, for example, belonging to President Amin's Kenyan companies, which had been believed to possess four aircraft, now amounted to 367m. Kenyan shillings—too much for a small country like his own to bear.

Union leaders

Continued from Page 1

Weather

U.K.—TODAY

SUNNY spells, some cloud or rain.

London, S.E., E. N.E. England, E. Anglia

Cloudy, bright intervals, scattered showers. Temps near normal. Max. 22C (72F).

Rest of Scotland, N. Ireland

Cloudy, some rain. Fog near coasts. Near normal. Max. 17C (63F).

Outlook: Mostly dry with sunny intervals. Some rain in N. and E.

Lightning-up: London 21.28, Manchester 21.46, Glasgow 22.06, Belfast 22.06.

BUSINESS CENTRES

Y/day Mid-day Y/day Mid-day

Alexandria F 26 81 Madrid S 22 62

Amsterdam F 19 65 Manchester S 17 63

Athens S 23 82 Melbourne C 10 56

Barcelona F 24 73 Milan S 21 70

Belgrade F 23 70 Moscow S 20 79

Birmingham G 28 68 Newcastle P 15 54

Budapest F 27 81 Paris S 22 73

Cairo S 25 83 Prague S 20 68

Edinburgh F 27 71 Stockholm S 21 59

Gibraltar F 28 72 Tokyo S 21 56

London F 28 73 Tel Aviv S 21 55

Lisbon F 24 74 Vienna S 19 56

London F 24 75 Warsaw S 18 55

London F 28 76 Zurich S 21 55

F-Fair. G-Sunny. R-Rain. C-Cloud.

New peace plan for Lebanon

BY LOUIS FARAS

DAMASCUS, July 26.

AN AGREEMENT to end the feud between Syria and the Palestinian resistance movement was signed yesterday for a ceasefire that will hold in Lebanon.

It was reported to have been reached in the Syrian capital to-night.

According to Palestinian sources, the four-point agreement will be officially announced following a reconciliation between President Hafez Assad of Syria and Mr. Yasser Arafat, chairman of the Palestine Liberation Organisation, who is expected to be in Damascus in the next 48 hours.

The draft agreement was apparently reached following prolonged negotiations between a Syrian delegation headed by Mr. Abd Halim Khaddam, the Foreign Minister, and a PLO team led by Mr. Farouk Kadour, the organisation's chief diplomat and head of its political department.

A senior Syrian official declined to comment on the accord but said: "A great step forward had been made." The two delegations had agreed on Sunday to stop all propaganda attacks against each other.

According to the Palestinian sources the official announcement of the agreement will have to wait for two things:

Approval

1 — The withdrawal of Syrian troops from the mountain resort of Sofar near Beirut on the main highway to Damascus. Under the agreement they would pull back to the Bekaa Valley in eastern

Lebanon—much closer to the border with Syria.

2 — The approval of Lebanon's President, Mr. Suleiman Franjeh, who still commands the allegiance of the majority of the country's Christian population.

A special envoy from President Assad was reported to be on his way to Mr. Franjeh's headquarters in the hills above the port of Jounieh with a copy of the agreement.

With heavy fighting still raging in Lebanon, Christian blessing of the agreement is essential if it is to have a chance of working. This would be the 56th ceasefire if it came. The 53rd was negotiated at the weekend by the Arab League but did not take effect.

Our Foreign Office adds: The reported agreement which, if true, is a significant improvement in relations between Syria and the PLO, makes two very big assumptions.

The first is that the Syrians could control the Christians and that the Christians would be willing to stop fighting just when the military tide is beginning to turn in their favour.

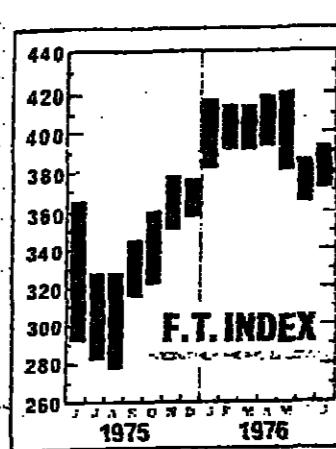
One obvious stumbling block could be the attempt to impose Mr. Elias Sarkis, Syria's candidate for president, on the round-table of Lebanese factions.

The second is that the Palestinians' Left-wing allies in Lebanon, headed by Mr. Kamal Jumblatt, would go along with this Syrian-imposed agreement having bitterly opposed every previous attempt by Damascus to settle the civil war on its terms.

THE LEX COLUMN

U.S. banks under pressure

Index fell 7.7 to 370.7



could have to fortify in the region. Finally, Wigham's Anglo-Continental, 4 per cent of the equity, not look like a candidate for a long holding in Leslie.

In fact, Anglo would expect to share in received a gift, even though it has not been uniform so far. Its original cost, £22m., reduced by a series of transactions in the last account subsequently written off. Meanwhile, Anglo's progress is smooth, more than can be seen in Pilkington's U.K.O. In affair. At yesterday's meeting, O.K.O. took advantage of rattling a sabre or two by forgoing a share dividend current year and a 1 per cent at the bid, compared with 4.2 per cent apparently joined present and anticipated profit. The forces could soon be forced to write-off times by last year's average capital.

Fodens
It is still too early to tell whether Fodens' debts have been settled. The group's accounts confirm that its cash is now being used to pay off debts which could pose a heavy burden on earnings if implemented. With an upturn in loan demand (now scheduled for the third quarter) and a declining level of loan provisions, the U.S. companies remain very liquid, and where necessary prefer to tap the commercial paper market for funds at rates of 5.14 per cent against a 7.25 per cent prime rate.

More important, however, has been the continued need to make substantial loan loss provisions. The problems of the banks' real estate investment trusts are proving far more intractable than first expected. Over the last six months the ten largest U.S. banks have net write-offs of \$376m., which is considerably higher than in the same period last year. Chase Manhattan's net loan provisions, for instance, rose from \$85.5m. to \$137m. in the first six months of this year—7.5 per cent of which refer to real estate.

Takeover bids
News that Leslie and Godwin

are negotiating an equity offer for Wigham Poland knocked its shares 13p to 110p and a market capitalisation of £214m. yesterday.

And there are probably three explanations. The news seems to put the final nail into the stories about a bid for Leslie itself, which pushed the rate up to 130p in May. Wigham would be quite a mouthful for Leslie which, if it was to match the average multiple of their shares crossed.

See also Page

The Trustees Corporation Limited.

Total assets at 31st May, 1976: £52.6 million

